

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment request submitted by Slovenia on 15 September 2023, transmitted to the Economic and Financial Committee by the European Commission
Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 15 September 2023, Slovenia submitted a request for payment for the second and third instalment of the non-repayable support and the first instalment of the loan support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Slovenia provided due justification of the satisfactory fulfilment of the 36 milestones and targets of the second and third instalment of the non-repayable support and the eight milestones first instalment of the loan support, as set out in Section 2 of the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia¹.

For two targets covering a large number of recipients, in addition to the summary documents and official listings provided by Slovenia, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60 which corresponds to a confidence level of 95% or above in all cases.

In its payment request, Slovenia has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Slovenia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 44 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Slovenia's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, a set of transformative reforms aimed at promotion of the use of energy from renewable sources, promotion of usage of alternative fuels in transport and providing new framework for public passenger. The milestones and targets also confirm progress towards the completion of investment projects related to electricity distribution network, increasing railway infrastructure capacity, digital transformation agenda and sustainable renovation of buildings.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

¹ 13615/23 + REV1 (en) + ADD1 REV1.

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Non-repayable support

Reform of the promotion of renewable energy sources in Slovenia

Number: 1	Related Measure: Reform of the promotion of renewable energy sources in Slovenia	
Name of the Milestone: Entry into force of the Act on the Promotion of the Use of Energy from Renewable Energy Sources		
Qualitative Indicator: Provision in the law indicating the entry into force of the Act on the Promotion of the Use of Energy from Renewable Energy Sources		Time: Q2 2022
Context: Milestone 1 is part of the reform A on the promotion of renewable energy sources in Slovenia, whose objective is to accelerate the roll-out of renewable energy installations in the electricity sector in Slovenia by lifting certain legal and administrative barriers related to spatial planning and by establishing a single point of contact to assist investors with procedures for the installation and operation of renewable energy installations. Milestone 1 consists of six points: - i.regulate the use of renewable energy sources by the state and municipalities and set a binding target for the share of energy from renewable sources in gross final consumption in the Republic of Slovenia; - ii.specify measures to achieve this target and the methods of financing them, including the shortening of permit and authorisation procedures for the installation, connection and operation of renewables generating installations (solar and wind) of all sizes. In particular, it shall implement the recommendations resulting from ongoing technical assistance on the revision of legislation for spatial planning of wind power plants, financed under the Technical Support Instrument; - iii.include guarantees of origin for energy from renewable sources in the heating and cooling and transport sector; - iv.administrative procedures ; - v.information and training of installers; - vi.establish a single point of contact for investors in generating installations. Milestone 1 is the first step of the implementation of the reform and it will be followed by Milestone 2 and target 3 related to a single point of contact for investors being operational and the shortening of connection procedures, respectively. Target 3 shall also take into account the results of a biodiversity mapping of the potential of renewable energy sources across the entire territory of the Republic of Slovenia The reform has a final expected date for implementation by 31 December 2024.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: - i.Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence, including: - o a justification of how the preliminary recommendations resulting from ongoing technical assistance on the revision of legislation for spatial planning of wind power plants, financed under the Technical Support Instrument, were implemented;		

- an explanation of how the permit and authorisation procedures for the installation, connection and operation of renewables generating installations (solar and wind) of all sizes will be shortened and how much.
- ii. Copy of Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE) published in the Official Gazette of the Republic of Slovenia No 121/21 on 23 July 2021 and entered into force on 07 August 2021;
- iii. Copy of Act amending the Promotion of Renewable Energy Sources Act (ZSROVE-A) published in the Official Gazette of the Republic of Slovenia No 189/21 from 03 December 2021 and entered into force on 18 December 2021;
- iv. Copy of Act on the Deployment of Installations for the Production of Electricity from Renewable Energy Sources (ZUNPEOVE) published in the Official Gazette of the Republic of Slovenia No 78/23 from 19 July 2023 and entered into force on 03 August 2023.

The authorities also provided:

- v. Copy of Decree defining the functions of the contact point for the promotion of renewable energy sources published in the Official Gazette of the Republic of Slovenia No 50/22 from 11 April 2022 and entered into force on 26 April 2022;
- vi. Copy of Decree supplementing the Decree defining the functions of the contact point for the promotion of renewable energy sources published in the Official Gazette of the Republic of Slovenia No 122/22 from 23 September 2022 and entered into force on 08 October 2022;
- vii. Copy of Rules on professional training for installers of renewable energy installations published in the Official Gazette of the Republic of Slovenia No 8/21 from 19 January and entered into force on 03 February 2021;
- viii. Copy of Decision No 360-102/2021/28-02759724 establishing a Council of Experts to upgrade the methodology for drafting local energy concepts from 04 January 2022.

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

In line with the description of the measure, **the reform shall be implemented through the entry into force of the Law on the Promotion of the Use of Energy from Renewable Energy Sources.**

The reform is implemented primarily through the entry into force of the Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE). The Act was adopted by the Parliament of the Republic of Slovenia and was subsequently published in the Official Gazette of the Republic of Slovenia No 121/21 on 23 July 2021 and entered into force on 07 August 2021, as established by its Article 97.

The milestone in the Council Implementation Decision is further specified in the Operational Arrangements, which requires a copy of the publication of the Act on the Promotion of the Use of Energy from Renewable Energy Sources in the Official Journal of the Republic of Slovenia, **as well as copy of any subsequent amendments or different act of equivalent legal value regarding spatial planning, and reference to the relevant provisions indicating the entry into force.**

The reform in its part relating to spatial planning is implemented through the entry into force of the Act on the Deployment of Installations for the Production of Electricity from Renewable Energy Sources (ZUNPEOVE) published in the Official Gazette of the Republic of Slovenia No 78/23 from 19 July 2023 and entered into force on 3 August 2023, as established by its Article 94. ZUNPEOVE has

the same legal value as the the Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE).

The Act shall regulate the use of renewable energy sources by the state and municipalities and set a binding target for the share of energy from renewable sources in gross final consumption in the Republic of Slovenia.

Furthermore, in line with the description of the measure, **the reform shall also support the national contribution to the Union renewables target.**

In the Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE):

- Article 1 lays down the subject of the law, which relates, inter alia, to the implementation of the policy of the State and municipalities on the use of renewable energy sources, as well as to setting a binding target for the share of energy from renewable sources in gross final consumption in the Republic of Slovenia and thereby supporting the national contribution to the Union renewables target.
- Article 4(1) provides that the share of energy from renewable sources in gross final consumption of energy in the Republic of Slovenia is to be set out in the integrated national energy and climate plan (NECP) in accordance with Regulation (EU) 2018/1999¹.
- Article 4 (2) states that the share of energy from renewable sources in the gross final consumption of energy in the Republic of Slovenia may not be less than the baseline share of 25 %.

The act shall specify measures to achieve the national RES target and the methods of financing them.

The Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE) lays down various financial incentives for the different kinds of renewable energy sources (RES) and includes other measures to help achieve the binding target for share of renewables:

- Article 6 lays down the basic principles for financial incentives for RES. This includes, among others, defining the types of financial incentives (Article 6(2)) and the responsibility to publish information on government websites (Article 6 (5)).
- Chapter 3 (Articles 14 – 29) introduces concrete financial incentives for the production of electricity, gaseous fuels, heat and cooling, from renewable energy sources, waste heat and hydrogen, liquid and gaseous biofuels and energy from high-efficiency cogeneration. This includes, among others, laying down eligibility conditions for support (Article 15), defining decision-making responsibility (Article 25), and defining control measures for recipients of support (Article 28).
- Chapter 4 (Articles 30 – 36) defines mechanisms for international cooperation to help achieve the RES target. This includes, among others, the option for statistical transfers with different Member States (Article 30), which could be used for achieving a national RES target, as well as participating in joint RES projects with other countries (Articles 31 – 35) and participating in the EU's renewable energy financing mechanism (Article 36).
- Chapter 5 (Articles 37 – 44) regulates RES installations for self-supply and renewable energy communities, which play an important role for increasing the share of renewables in the energy mix. Article 38 introduces financial benefits for final consumers through self-consumption. Article 41 introduces a programme to promote RES installations for self-supply.

- Chapter 8 (Articles 52 – 58) introduces measures that aim to increase the share of RES in heating and cooling sector. This includes, among others, a restriction on the use of individual energy products for heating (Article 53) and an increase in the share of RES and waste heat and the efficiency of the district heating and cooling systems (Article 55).

In particular, it shall include **the shortening of permit and authorisation procedures for the installation, connection and operation of renewables generating installations (solar and wind) of all sizes.**

The Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE) includes provisions which introduce deadlines for the procedures for obtaining permits and approvals for the installation, connection and operation of RES installations. Prior to the entry into force of ZSROVE, there were no prescribed deadlines for any of the procedures for obtaining permits and approvals for the installation, connection and operation of RES installations. More specifically, in ZSROVE:

- Article 42 sets out the rules for connection approval and the simple connection procedure for self-consumption installation. According to Article 42, the duration of the issuance of connection approval shall not exceed 30 days.
- Article 50 sets the various maximum deadlines for the issuance of permits for RES installations. Article 51 (1) sets the maximum time for permitting and approval procedures for the installation, connection and operation of RES installation to 2 years. Article 51 (2) sets a deadline of maximum 1 year for permitting and approval procedures for the installation, connection and operation of RES installation with a capacity of less than 150 kW.

The table below summarises all sets of deadlines for the various procedures with the relevant provisions in ZSROVE according to the different installation sizes.

For grid connection permit

Type of installations	Size	Maximum duration from the receipt of complete application until the final decision	Article in ZSROVE	Previous deadlines
Solar PV and Wind (for self-consumption only)	1-50 kW	30 days	Article 42 (1)	No special deadlines existed before the adoption of ZSROVE

For authorisation and approval procedures for the placement (construction permit and the related), connection (grid connection permit) and operation (any permits related to entry into operation) of RES installations

Type of installations	Size	Maximum duration from the receipt of complete application until the final decision	Article in ZSROVE	Previous deadlines
Solar PV and Wind	All sizes	2 years	Article 50 (1)	No special deadlines existed
Solar PV and Wind	1-150 kW	1 year	Article 50 (2)	

In exceptional circumstances the authorisation procedure can be extended by a maximum of one year in total for the above.			Article 50 (3)	for RES installations before the adoption of ZSROVE
Repowering of existing solar PV and Wind	All sizes	1 year	Article 50 (4)	
In exceptional circumstances the authorisation procedure can be extended by a maximum of one year in total for the above.			Article 50 (5)	

Building permit is not required for small RES installations (as listed below) which are installed on, in or next to an existing building or construction engineering facility built in accordance with the regulations governing the construction of buildings:

Type of installation	Size	Article in ZSROVE
Solar PV (for self-consumption only)	1 MW	Article 50 (7)
Wind (for self-consumption only)	50 kW	Article 50 (7)
Co-generation plant (self-consumption)	50 kW	Article 50 (7)

In the Act amending the Promotion of Renewable Energy Sources Act (ZSROVE-A):

- In Article 42, a new text was added at the end of the second paragraph, which allows for quicker transmission of applications and decisions via electronic mailbox for connection approval procedures and in procedures for obtaining a change of approval for connection of self-supply installation with a connection power not exceeding 50 kW.

Furthermore, in line with the description of the measure, the Law **shall support the acceleration and emergence of additional renewables projects by lifting certain legal and administrative barriers, in the area of spatial planning.**

Legal and administrative barriers in the area of spatial planning are extensively addressed with the entry into force of the new Act on the Deployment of Installations for the Production of Electricity from Renewable Energy Sources (ZUNPEOVE). The Act was published in the Official Gazette of the Republic of Slovenia No 78/23 from 19 July 2023 and entered into force on 3 August 2023, as established by its Article 94. ZUNPEOVE has the same legal value as the the Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE).

The subject matter of ZUNPEOVE, as set out in Article 1, includes regulating spatial planning for installations and facilities producing electricity using solar and wind energy. The Act establishes in Articles 5-13 detailed rules for the identification and designation of priority areas for renewable energy installations, where certain spatial planning and permitting procedures are lifted on the basis that this is a designated area for renewable energy installations. This includes Article 8, according to which in priority areas photovoltaic installations may be located irrespective of the local energy concepts. In addition, Article 13(2) provides that in order to accommodate a photovoltaic or a wind installation, the Municipal Detailed Spatial Plan may be adopted in accordance with the Spatial Planning Act even if the local energy concept does not provide for this, provided that the local energy concept is amended or adopted at the latest at the time of adoption of the Municipal Detailed Spatial Plan. In this way, the deployment of solar and wind installations is actively promoted and is made quicker. Furthermore, Article 21 of the Act provides for the mandatory planning of photovoltaic installations in the process of drawing up spatial implementing acts, taking into account the potential for the production of electricity from renewables. As concerns involvement of investors in spatial planning procedures, Article 18 enables investors in solar photovoltaic and wind installations to take over the role of contracting authority for the drawing up of a spatial planning

document with their proposals for spatial planning. Therefore, the entry into force of the new Act on the Deployment of Installations for the Production of Electricity from Renewable Energy Sources (ZUNPEOVE) effectively supports the acceleration and emergence of additional renewables projects by lifting certain legal and administrative barriers in the area of spatial planning.

In particular, it shall **implement the recommendations resulting from ongoing technical assistance on the revision of legislation for spatial planning of wind power plants, financed under the Technical Support Instrument.**

Slovenia has reflected the recommendations received from the technical assistance on the revision of legislation for spatial planning of wind power plants, financed under the Technical Support Instrument, in the Act on the Deployment of Installations for the Production of Electricity from Renewable Energy Sources (ZUNPEOVE). Furthermore, as per the recommendations, Slovenia established an expert council for the update of local energy concepts.

The table below summarises the recommendations and how they were reflected:

Identified barrier	Recommendation	Implementation activities
Lack of an integrated spatial document with RES priority areas	Adoption of a thematic action programme for at least some RES technologies or resources that are key or critical identified at EU level (sun and wind).	Articles 5 and 82 of ZUNPEOVE provide for the preparation and adoption of thematic action programme for RES. More specifically: a. Article 5 makes the adoption by the state of a national thematic action programme for solar and wind generation an obligation; b. Article 81 provides that the Government shall adopt the first action programme within 12 months of the entry into force of the Act.
Duration of the Comprehensive Environmental Impact Assessment (Celovita presoja vplivov na okolje – CPVO) procedure	Insisting on compliance with the plan level when the plan is prepared at the strategic level, the assessment requires data and information at that level and does not require more detailed information at the project level	Article 16(1) of ZUNPEOVE explicitly provides for the information which the report is reasonable to include. Furthermore, Article 26 (3) of ZUNPEOV, further lays down the requirement for the ministry responsible for the integrated environmental impact assessment to take into account the content and the level of precision of the environmental report already drawn up when deciding whether an overall environmental impact assessment is to be carried out.
Spatial planning – modernisation of local energy concepts (LEK)	Setting up a task force for the modernisation of lenses.	In line with Decision No 360-102/2021/28-02759724 establishing a Council of Experts to upgrade the methodology for drafting local energy concepts from 4 January 2022, an Expert Council was established to upgrade the methodology for developing local energy concepts.

In particular, it shall include **guarantees of origin for energy from renewable sources in the heating and cooling and transport sector.**

In the Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE):

- Section 2 (Articles 10 – 13) of Chapter 2 lays down the basic principles for guarantees of origin for energy from renewable sources in the heating and cooling and transport sector. The provisions include, among others, the introduction of a legal definition of guarantees of origin in Article 10 (1), their content (Article 11), and the introduction of a register of guarantees of origin (Article 13).
- Article 7(3) of the ZSROVE provides that the guarantees of origin are to be issued for RES installations in various sectors, including in the heating and cooling and transport sector:
 - for the production of electricity from renewable energy sources'
 - for the production of electricity from non-renewable energy sources,
 - for high-efficiency cogeneration;
 - for the production of gaseous fuels from renewable energy sources;
 - for the production of heat for heating and cooling from renewable energy sources,
 - for the use of waste heat in district heating systems,
 - for the production of liquid and gaseous biofuels
 - for a hydrogen production installation.
- Article 11(1) of the ZSROVE provides that the guarantee of origin must contain information on whether the certificate relates to electricity, gas (including hydrogen), heat for heating or cooling, or waste heat.

In particular, it shall include **the administrative procedures.**

In the Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE):

- Chapter 7 (Articles 46 – 51) of the ZSROVE lays down the basic principles that govern the administrative procedures related to the installation of RES. This includes, among others, Article 46 (2) which provides that the rules governing the granting of permits shall be transparent and proportionate, shall not discriminate between applicants and shall take full account of the specificities of individual renewable energy technologies and Article 46 (4) which lays down the requirement priority to be given to renewable energy sources over fossil energy sources, except for district systems which are energy efficient and pipeline systems with a higher share of renewable gas in the system. Article 47 requires national authorities and municipalities to prioritise RES in spatial planning, that municipalities must include the use of RES in local energy concepts and that the integration and deployment of RES, including self-consumption of RES and RES communities in public buildings, is part of the long-term strategy for the energy renovation of buildings. Article 49 requires the Energy Agency to assess barriers to long-term RES power purchase agreements and to propose measures to remove unjustified barriers.

In particular, it shall include **information and training of installers.**

In the Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE):

- Chapter 6 (Article 45) lays down the basic principles for the training of installers of RES installations. This includes, among others, Article 45 (1) which provide that installers

of solar collectors, heat pumps, shallow geothermal systems, wood biomass boilers and solar energy generating installations may undergo professional training to ensure the proper and efficient operation of RES installations and systems. Furthermore, Article 45 (2) specifies the persons allowed to provide professional training and Article 45 (3) lays down the process for certification of installers of RES installations.

In addition to the legal provisions in the ZSROVE, the Rules on professional training for installers of renewable energy installations lay down the detailed conditions to be met by installers, the content of the training programme, the conditions for trainers, the methods of checking knowledge and the content and validity of the training certificate.

In particular, it shall **establish a single point of contact for investors in generating installations.**

In the Act on the Promotion of the Use of Energy from Renewable Energy Sources (ZSROVE):

- Article 51 lays down the basic principles for the establishment of a single contact point for investors in generating installations, including its purpose and to support applicants with administrative procedures for authorisation of RES installations. At the request of the applicant, the contact point shall direct applications for authorisations and other acts and assist the applicant throughout the process from the submission of the application to the final decision on that application. The tasks of the contact point shall be part of the activities of the Support Centre, which may cooperate with local energy organisations to carry out these tasks.
- Article 92(2) provides that the contact point must be established within one year of the entry into force of the Act.

Further to the basic principles laid down in ZSROVE, the Decree defining the functions of the contact point for the promotion of renewable energy sources lays down, among others, the working methods (Article 2), scope (Article 3) and tasks of the contact point (Article 4), setting up and running the information system (Article 7), cooperating with the competent authorities (Article 9) and reporting responsibilities (Article 11) of the contact point. The Decree was subsequently amended, in order to add a new paragraph 8 to Article 1 that provides for easy access of applicants to simple dispute settlement procedures concerning the permit granting process for the construction and operation RES installations.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 2	Related Measure: Reform of the promotion of renewable energy sources in Slovenia	
Name of the Milestone: A single point to support investors in obtaining approvals for the installation and connection of generating installations to renewable energy sources is operational		
Qualitative Indicator: Single point of contact is operational		Time: Q4 2022
Context:		
Milestone 2 is part of the reform C1.RA on the promotion of renewable energy sources in Slovenia. The objective of the reform is to accelerate the roll-out of renewable energy installations in the electricity sector in Slovenia by lifting certain legal and administrative barriers related to spatial planning and by establishing a single point of contact to assist investors with procedures for the installation and operation of installations. Milestone 2, as operationalised by the relevant legislation, includes two points: i. The contact point guides investors through licence applications and other acts and assists the entire administrative process. ii. At the request of the applicant, the contact point shall direct applications for authorisations and other acts and assist the applicant throughout the administrative procedure. Milestone 2 on the operationalisation of the single contact point for investors in renewables is a further step of the implementation of the reform on the promotion of renewables. The preceding milestone, milestone 1, sets the legal basis for the establishment of the contact point. Milestone 2 will be followed target 3 on the shortening of connection procedures for renewables. The reform has a final expected date for implementation by 31 December 2024.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copy of Decree defining the functions of the contact point for the promotion of renewable energy sources published in the Official Gazette of the Republic of Slovenia No 50/22 from 11 April 2022 and entered into force on 26 April 2022; iii. Copy of Decree supplementing the Decree¹ defining the functions of the contact point for the promotion of renewable energy sources published in the Official Gazette of the Republic of Slovenia No 122/22 from 23 September 2022 and entered into force on 08 October 2022; iv. Copy of publication on the website of the Ministry of Environment, Climate, and Energy that the single point of contact is operational from 07 April 2022; v. Link to official webpage of single point of contact for investors in generating installation: https://www.borzen.si/sl/Domov/menu1/To%C4%8Dka-OVE.		
Analysis:		
The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. The contact point guides investors through licence applications and other acts and assists the entire administrative process. Article 4 of the Decree defining the functions of the contact point for the promotion of renewable energy sources defines the tasks of the contact point. Article 4 (1) stipulates that the contact point shall guide the applicant in permit granting procedures and other acts required under national law for		

production installations necessary for the construction, reconstruction, refurbishment or operation of the production plant and their connection to the network and in the procedures of support schemes. Further to this, Article 4 (2) specifies that permits and other acts referred to in the first paragraph of Article 4 are all permits and other individual acts, spatial planning documents, licences, registrations and administrative acts necessary for the construction, reconstruction, refurbishment or operation of a production plant and for obtaining support in support scheme procedures.

At the request of the applicant, the contact point shall direct applications for authorisations and other acts and assist the applicant throughout the administrative procedure.

Article 5 (1) of the Decree defining the functions of the contact point for the promotion of renewable energy sources stipulates that the contact point shall guide the applicant on the basis of the application, which can be submitted in person or through an authorised representative at the location of the contact point, may be sent in writing by post or submitted electronically through the contact point's web portal.

Article 4 (3) of the Decree defining the functions of the contact point for the promotion of renewable energy sources stipulates that the contact point may carry out all tasks related to assisting the applicant in administrative, other procedures and procedures of support programmes.

The contact point is operational and its official website is <https://www.borzen.si/sl/Domov/menu1/To%C4%8Dka-OVE>. The contact point also has a dedicated telephone number, email and postal address at which it can be contacted.

Commission Preliminary Assessment: Satisfactorily fulfilled

Energy efficient restructuring of district heating systems with the use of renewable sources

Number: 4	Related Measure: Energy efficient restructuring of district heating systems with the use of renewable sources	
Name of the Milestone: Launching a call for proposals for renewable energy sources in district heating systems		
Qualitative Indicator: Call for proposals published		Time: Q4 2022
Context:		
Milestone 4 is part of Investment D on the efficient restructuring of district heating systems with the use of renewable sources, which aims at increasing the energy efficiency of district heating systems through an additional 22MW of renewable energy sources in the district heating systems. Milestone 4 concerns the launch of a call for proposals for investments to increase the share of renewable energy sources in district heating systems. Milestone 4 is the first step of the implementation of the measure and is followed by target 5 on related to the completion of projects for additional capacity of renewable energy sources in district heating systems. The investment has a final expected date for implementation by 31 December 2025.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence, including a. justification that the technical specifications of the call for proposals are fully aligned with the description, criteria and conditions as set out in the milestone and of the description of the investment in the CID; b. extract of the official documents providing evidence i. of compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), and ii. that the restructured district heating systems comply with Directive 2012/27/EU; and that, in the case of biomass utilisation, the biomass is in line with Directive (EU) 2018/2001’ as specified in the CID Annex. ii. Copy of the publication of the call for proposals for energy efficient restructuring of district heating systems with the use of renewable sources, showing that the call for proposals is open to applications, published in the Official Gazette of the Republic of Slovenia, No. 50/23 from 05 May 2023, p.965, Ref No. 4301-3/2023-2570-5 Ob-2131/23 The authorities also provided: iii. Copy of call for proposals for energy efficient restructuring of district heating systems with the use of renewable sources from 05 May 2023 (Ministry Environment Climate and Energy). iv. Link to the public announcement of the call for proposals on the official website of the Government of Republic of Slovenia (Public call for co-financing the restructuring of remote systems on RES for the period 2023 to 2025 (https://www.gov.si/zbirke/javne-objave/dodjavni-razpis-za-sofinanciranje-prestrukturiranja-daljinskih-sistemov-na-ove-za-obdobje-2023-do-2025-aj-javna-objava/)).		
Analysis:		

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Call for proposals launched for investments increasing the share of renewable energy sources in district heating systems.

The call for proposals was launched on 5 May 2023 with a publication of the call for proposals in the Official Gazette of the Republic of Slovenia, as well as public notices on the official website of the Ministry Environment Climate and Energy and the official website of the Government of Slovenia.

The call for proposals state in Section 4 “Objective of the call for proposals” that subject of the call is for the award of grants to co-finance projects for the installation of heat generators using renewables in district heating systems. This is fully supporting the key objective to increase the share of renewable energy sources in district heating systems.

Furthermore, in line with the description of the measure, **the investment shall be implemented through a call for proposals launched in 2022.**

The Council Implementing Decision required the investment to be implemented through a call for proposals launched in 2022. Slovenia launched the call for proposals for this investment on 5 May 2023 through a publication in the Official Gazette of the Republic of Slovenia, No. 50/23 from 5 May 2023, p.965, Ref No. 4301-3/2023-2570-5 Ob-2131/23. Whilst this constitutes a minimal deviation from the requirement of the Council Implementing Decision, the deviation related to the timing of the launch of the call for proposals does not affect the achievement of the objective of the measure to increase the energy efficiency of district heating systems through an additional 22MW of renewable energy sources in the district heating systems. The following target 5 ensures further the implementation of the investment indicatively by 31 December 2025. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that milestone 4 represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The call shall be open until the budgetary envelope is exhausted.

The call for proposals states in Section 8.2. “Submission of application” explicitly that the call will be open until the funds are used up.

The selection/ eligibility criteria shall ensure compliance with the ‘do no significant harm’ Technical Guidance (2021/C58/01) and in particular that the restructured district heating systems shall comply with Directive 2012/27/EU; and that, in the case of biomass utilisation, the biomass shall be in line with Directive (EU) 2018/2001.

In section 7.1 “Conditions”, the text of the call for proposals states that the applicant must demonstrate that the project will be implemented in accordance with the ‘Do No Significant Harm’ (DNSH), that is to say, in line with the environmental objectives of the European Union as defined in Article 17 of Regulation (EU) 2020/852. The applicant is further required to submit a completed, signed and stamped Form No 7: A statement by the applicant that the action will be implemented in accordance with the ‘Do No Significant Harm’ (Do No Significant Harm – DNSH) principle.

In section 7.2 “Requirements”, the text of the call for proposals states that the final recipient must ensure that the project complies with the ‘do no significant harm’ technical guidance document (2021/C58/01), in particular that the restructured district heating systems are in line with Directive 2012/27/EU, and that biomass utilisation is compliant with Directive (EU) 2018/2001. The origin of the biomass used in the district heating system must also be demonstrated.

Furthermore, in line with the description of the measure, **the upgrading of the efficient district heating system shall not use fossil fuels as a heat source but rely solely on renewable sources.**

In section 5.3 “Eligible purposes and eligible costs”, the text of the call for proposals includes a list of ineligible costs, which includes the purchase of a fossil fuel-fired boiler or a combined heat and power (CHP) one. Furthermore, in section 5.4 “Period of eligibility” the text of the call explicitly refers to all eligible project costs as those for the purpose of investments in energy efficient restructuring of district heating systems using renewable energy sources.

Commission Preliminary Assessment: Satisfactorily fulfilled

Strengthening the electricity distribution network (transformer stations)

Number: 6	Related Measure: Strengthening the electricity distribution network (transformer stations)	
Name of the Milestone: Opening of a call for proposals for electricity transformer stations		
Qualitative Indicator: Publication of the call for proposals		Time: Q4 2022
Context:		
Milestone 6 is part of Investment F on transformer stations, which aims at modernising the electricity distribution network in line with the increasing amount of renewables electricity consumption and to enable the connection of renewables generating installations, heat pumps and recharging points for electric vehicles. The investment consists in the construction and entry into operation of 838 new transformer stations. Milestone 6 concerns the opening of a call for proposals for the construction of electricity transformer stations. Milestone 6 is the first milestone of the implementation of the investment and will be followed by target 7 on the number of new electricity transformer stations in operation. The investment has a final expected date for implementation by 30 June 2026.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence, including: a. justification that the technical specifications of the call are fully aligned with the description, criteria and conditions as set out in the milestone/target and of the description of the investment in the CID, ii. Copy of the publication of the call for proposals for construction of electricity transformer stations, showing that the call for proposals is open to applications, published in the Official Gazette of the Republic of Slovenia, No. 46/23 from 21 April 2023, p.847, Ref No 4301-2/2023-2570-3 Ob-2054/23, The authorities also provided: iii. Copy of call for proposals for construction of electricity transformer stations from 21 April 2023 (Ministry Environment Climate and Energy). iv. Link to the public announcement of the call for proposals on the official website of the Government of Republic of Slovenia (Invitation to call for co-financing of distribution stations and construction of low-voltage distribution networks (https://www.gov.si/zbirke/javne-objave/javni-razpis-za-sofinanciranje-distribucijskih-transformatorskih-postaj-in-izgradnje-nizkonapetostnih-distribucijskih-omrezij/)).		
Analysis:		
The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.		

Call for proposals opened for the construction of transformer stations.

The call for proposals was launched on 21 April 2023 with the publication of public notices on the official website of the Ministry Environment Climate and Energy and in the official website of the Government of Slovenia. The call for proposals were also published in the Official Gazette of the Republic of Slovenia.

The call for proposals state in Section 3.3. "Objective of the call for proposals and area of implementation" that subject of the call is for the allocation of co-financing funds for the strengthening of the electricity distribution network in the territory of the Republic of Slovenia through the construction of new transformer stations and the construction of low-voltage distribution networks for the period 2023 to 2026.

The call shall be open until the budgetary envelope is exhausted.

In Section 10.2 "Submission of applications and deadline for submission of applications", the text of the call for proposals states explicitly that it will be open until the funds are used up.

The call shall ensure in particular criteria for the effective integration of renewable energy production and storage facilities, including recharging points for electric vehicles.

In section 7.2 "Specific conditions", the text of the call for proposals states that resulting additional capacity for the connection of production or storage installations from renewable energy sources and for recharging infrastructure for electric vehicles must be demonstrated at the level of the project. The applicant assesses the expected additional capacities referred to above in Form 1 "Project information" of the call documents on the basis of planned activities at project level and reports them in the context of the substantive report on the implementation of the project, which is a mandatory annex to the individual application for payment of funds.

In addition to all mandatory national and European rules laying down requirements for construction and environmental interventions, selection/eligibility criteria shall ensure compliance with the 'do no significant harm' Technical Guidance (2021/C58/01).

In section 7.1 "General Conditions", the text of the call for proposals states that the applicant must demonstrate that the project will be implemented in accordance with the 'Do No Significant Harm' (DNSH), that is to say, in line with the environmental objectives of the European Union as defined in Article 17 of Regulation (EU) 2020/852. The applicant is further required to submit a completed, signed and stamped Form No 7: A statement by the applicant that the action will be implemented in accordance with the 'Do No Significant Harm' (Do No Significant Harm – DNSH) principle.

In addition to complying with the DNSH principle, Section 7.1 "General Conditions" also requires the applicants to ensure that the project complies with all relevant construction and environmental legislation by:

- Submitting investment documentation in line with the national Regulation on a common methodology for the preparation and treatment of investment documentation in the area of public finance;
- Submitting project documentation in accordance with the Construction Act (GZ-1) and its implementing regulations, in particular the Rules on Project and Other Documents and Forms for Construction or its predecessor, must be drawn up or under construction. This may include design documentation for obtaining design and other conditions, design documentation for opinions and building permits, design documentation for the

execution of works, and other documentation such as building permit documentation for non-complex works. Obtaining these documents involves verifying compliance with construction and environmental legislation, namely that the relevant project conditions, consents and spatial planning opinions are obtained where the interventions may affect specific areas, such as for example (but not exclusively):

- impact on areas of natural values, protected areas and Natura 2000 sites or areas of importance for biodiversity – environmental legislation taken into account, such as in particular the Nature Conservation Act, the Decree on Special Protection Areas (Natura 2000 Areas), the Decree on Protected Wildlife Species, the Regulation on Protected Wildlife Types, the Decree on Protected Wildlife Species, the Rules on the inclusion of endangered plant and animal species in the Red List, the Natura 2000 site management programme, as well as taking into account the EU Biodiversity Strategy for 2030.
- impact on water regime and water status – relevant legislation taken into account, such as in particular the Water Act (ZV-1).

The requirements to adhere to the above-mentioned laws and regulations, along with their mandatory nature, ensures alignment with all mandatory national and European rules for construction and environmental interventions.

The milestone in the Council Implementation Decision is further specified in the Operational Arrangements, which requires that **the call for proposals conditions shall cover new control systems and sensor technologies enabling interactive and intelligent monitoring, measurement, quality control or management of the production, transmission, distribution or consumption of energy within the distribution network.**

In section 7.2 “Specific conditions”, the text of the call for proposals states that projects must ensure the interoperability of the data and enable it to be exchanged between different electricity market participants (generation, transmission, distribution, market) through the integration of different systems on the basis of appropriate communication protocols. In this way, the requirement for database integration and real-time surveillance needs to be met. This condition shall be demonstrated in the application and/or in the accompanying project documentation under the call for proposals. The applicant is further required to submit proof that condition is met through the submission of the application form or in the submitted project documents in response to the call for proposals.

Commission Preliminary Assessment: Satisfactorily fulfilled

Sustainable renovation of buildings

Number: 21	Related Measure: Sustainable renovation of buildings
Name of the Milestone: Opening of a call for proposals for the implementation of individual upgrades of technical building systems	
Qualitative Indicator: Publication of the call for proposals	Time: Q4 2022
Context: The objective of Investment C2.IB is the energy renovation of public buildings and publicly-owned residential buildings, aiming to achieve a minimum of 30 % energy savings overall, compared to ex ante emissions, with the exception of investments in the implementation of individual upgrades of technical building systems such as air-conditioning and ventilation systems. Milestone 21 concerns the opening of a call for proposals for the implementation of individual upgrades of technical building systems, such as air-conditioning and ventilation systems. Milestone 21 is the first milestone of the implementation of the investment and it entails only works on implementation of individual upgrades of technical building systems, such as air-conditioning and ventilation systems, but not works such as those on thermal insulation of the building, energy-efficient equipment, seismic renovation. Milestone 21 is followed by milestone 22 related to opening of a public invitation for energy and sustainable renovation of publicly owned buildings of high administrative and social importance, milestone 23 related to opening of a call for proposals for energy and sustainable renovation of publicly owned residential buildings, both of which entail works on sustainable energy renovation of buildings such as works on thermal insulation of the building, energy-efficient equipment, seismic renovation. It is also follow by target 24 and target 25 related to completed energy and sustainable renovations of buildings of high administrative and social importance, target 26 related to completed energy and sustainable renovation of buildings through individual upgrades of technical building systems, and target 27 related to completed energy and sustainable renovation of publicly owned residential buildings. The investment has a final expected date for implementation on 30 June 2026.	
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copy of the publication of the call for proposals including all the annexes, showing that the call for proposals is open to applications (Ref: 360-112/2022/7 Ob-1063/23, Page 34, published in Official Gazette No 4/2023 of 4 January 2023); iii. Justification that the technical specifications of the call for proposals are fully aligned with the description, criteria and conditions as set out in the milestone and of the description of the investment in the CID, in particular, extracts of the official documents providing evidence of compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) (included in the Cover note).	
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.	

The call for proposals shall be opened for the implementation of individual upgrades of technical building systems, such as air-conditioning and ventilation systems.

The call for proposals for the implementation of individual upgrades of technical building systems, such as air-conditioning and ventilation systems was published in the Official Gazette No. 4/2023 of 4 January 2023. The call for proposals stipulates in Chapter 4 paragraph 2 that the objective of the call is to implement new or modernise existing central ventilation systems with recovery and/or air-conditioning systems in buildings that are already energy-renovated but that require appropriate upgrading of individual technical building systems. Furthermore, the Chapter 5.3 of the call for proposals further stipulates that eligible works are those linked to the implementation of new or modernisation of existing central ventilation system with recuperation and/or air-conditioning system.

The call shall be open until the budgetary envelope is exhausted.

The call for proposal stipulates in the Chapter 5.1 that the call shall be opened until the budget has been exhausted.

Selection/eligibility criteria shall ensure compliance with the 'do no significant harm' Technical Guidance (2021/C58/01).

The call for proposal stipulates in the Chapter 8.1 that the applicant must demonstrate the compliance of projects to be implemented with the 'do no significant harm' principle. The call for proposals further stipulates in the Chapter 9.2 paragraph 3 that the applicant must complete, stamp, and sign the "Self-assessment that the investment will be carried out in line with the 'do no significant harm' principle" as indicated in the Annex 3 of the call. The Annex 3 of the call requires information to be included on the compliance with all six 'do no significant harm' criteria. Compliance with the 'do no significant harm' is further ensured with the Article 24 of the "Applicable model contract" in the Annex 5 of the call.

Furthermore, in line with the description of the measure the works shall cover costs of: cooling and ventilation systems.

The call for proposals stipulates in Chapter 4 paragraph 2 that the objective of the call is to implement new or modernise existing central ventilation systems with recovery and/or air-conditioning systems in buildings that are already energy-renovated but that require appropriate upgrading of individual technical building systems. Furthermore, the Chapter 5.3 of the call for proposals further stipulates that eligible works are those linked to the implementation of new or modernisation of existing central ventilation system with recuperation and/or air-conditioning system.

Furthermore, in line with the description of the measure, the works shall also ensure high health and environmental standard.

The call for proposal stipulates in the Chapter 4 paragraph 4 that the design and operation of central ventilation systems with recuperation and/or air-conditioning systems shall take into account the expert guidance of the National health institute of the Republic of Slovenia to prevent the spread of COVID-19, as well as any other relevant applicable guidelines and regulations in this field. Compliance with environmental standards is ensured with the compliance with the 'do no significant harm' principle'.

Furthermore, in line with the description of the measure, the objective of the investment is focused on the energy renovation of public buildings and also covers energy renovation of publicly-owned residential buildings.

The following categories of buildings shall be eligible: Buildings requiring individual upgrading of technical building systems.

The call for proposals stipulates in the Chapter 4 that the eligible buildings are those buildings that are already energy-renovated (for example buildings that have already been energy renovated when it comes to energy efficient thermal envelope or energy efficient heating system) requiring appropriate upgrading of individual technical building systems, and which at time of the COVID-19 pandemic proved to be critical as regards the functioning of society, transmission of infections and mortality:

- buildings which are intended for the implementation of education programmes, and which are (co)owned by municipality or (co)owned by the Republic of Slovenia;
- buildings which are intended for the provision of higher education and university education, and which are (co)owned by a public university of which the Republic of Slovenia is the founder;
- buildings which are intended for residential and long-term care for elderly and disabled persons, and are (co)owned by the Republic of Slovenia.

Furthermore, the call for proposals in the Chapter 8.1 requires applicant to provide evidence (such as extract from the land register or co-financing agreement and project management (in case of co-ownership)) that the building to be renovated is (co)owned by the municipality and/or the Republic of Slovenia and/or the public university of which the Republic of Slovenia is the founder.

The criteria for the eligibility of buildings are in line with the Council Implementing Decision since eligible buildings, such as, educational buildings (co)owned by the Republic of Slovenia (secondary schools, universities, etc.), as well as buildings dedicated to care for older citizens (co)owned by the Republic of Slovenia, are public buildings requiring individual upgrading of technical building systems.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 22	Related Measure: Sustainable renovation of buildings
Name of the Milestone: Opening of a public invitation for energy and sustainable renovation of publicly owned buildings of high administrative and social importance	
Qualitative Indicator: Publication of a public invitation	Time: Q4 2022
Context: The objective of investment C2.IB is the energy renovation of public buildings and publicly-owned residential buildings, aiming to achieve a minimum of 30 % energy savings overall, compared to ex ante emissions, with the exception of investments in the implementation of individual upgrades of technical building systems such as air-conditioning and ventilation systems. Milestone 22 concerns the opening of a public invitation for energy and sustainable renovation of publicly owned buildings of high administrative and social importance. Milestone 22 entails works on sustainable energy renovation of buildings such as works on thermal insulation of the building, energy-efficient equipment, seismic renovation. Milestone 22 is the second milestone of the investment, and it follows the completion of milestone 21 related to opening of a call for proposals for the implementation of individual upgrades of technical building systems. It will be followed by milestone 23 related to opening of a call for proposals for energy and sustainable renovation of publicly owned residential buildings, target 24 and target 25 related to completed energy and sustainable renovations of buildings of high administrative and social importance, target 26 related to completed energy and sustainable renovation of buildings through individual upgrades of technical building systems, and target 27 related to completed energy and sustainable renovation of publicly owned residential buildings. The investment has a final expected date for implementation on 30 June 2026.	
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copy of the publication of the public invitation including all the annexes, showing that the public invitation is open to applications (published on the website of the Ministry on Environment, Climate and Energy on 22 December 2022); iii. Justification that the technical specifications of the public invitation are fully aligned with the description, criteria and conditions as set out in the milestone and of the description of the investment in the CID, in particular, extracts of the official documents providing evidence of compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) (included in the Cover note).	
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. Public invitation shall be opened for energy and sustainable renovation of publicly owned buildings of high administrative and social importance.	

Public invitation opened for energy and sustainable renovation of publicly owned buildings of high administrative and social importance was published on the website of the Ministry on Environment, Climate and Energy on 22 December 2022.

The public invitation stipulates in the Chapter 1 paragraphs 5 and 6 that the subject of the energy and sustainable renovation projects under the invitation are publicly owned buildings of high administrative and social importance.

The public invitation shall be open until the budgetary envelope is exhausted.

The public invitation stipulates in the Chapter 4.3 that the call shall be opened until the budget has been exhausted.

Selection/eligibility criteria shall ensure compliance with the ‘do no significant harm’ Technical Guidance (2021/C58/01):

The public invitation stipulates in the Chapter 4.2 paragraph C that the project must be implemented in line with the ‘do no significant harm’ principle. The public invitation further stipulates in the Chapter 4.2 paragraph C that the applicant that is the responsible authority for the investment, must complete, stamp, and sign the “Self-assessment by the responsible authority that the investment will be carried out in accordance with the do no significant harm” as included in Annex 2 of the public invitation. Annex 2 of the public invitation requires information to be included on the compliance with all six ‘do no significant harm’ criteria.

Selection/eligibility criteria shall ensure at least a 30 % reduction of direct and indirect greenhouse gas emissions compared to the ex-ante emissions.

Furthermore, in line with the description of the measure, for all the investments, a minimum of 30 % energy savings overall, compared to ex ante emissions, shall be ensured, with the exception of investments in the implementation of individual upgrades of technical building systems such as air-conditioning and ventilation systems:.

The public invitation stipulates in the Chapter 1 and Chapter 4.2(f) that the specific condition is to achieve 30 % of overall energy savings, that is a reduction in primary energy use of at least 30 % after renovation, and a reduction of direct and indirect greenhouse gas emissions compared to ex ante emissions of at least 30 %. The public invitation further stipulates in the Chapter 4.1(a) that the energy performance certificate will be used to establish the achievement minimum of 30 % energy savings overall, that is, at least a 30 % reduction of direct and indirect greenhouse gas emissions compared to the ex-ante emissions.

Furthermore, in line with the description of the measure, the investments shall cover costs for the thermal insulation of the building, energy-efficient equipment (windows, glazing, doors), cooling and ventilation systems, energy efficient lighting and control systems. The works shall also ensure high health and environmental standard, by addressing, inter alia, disaster prevention and protection against climate-related hazards, removal of and protection against harmful substances, fire and seismic safety. The renovation of public buildings is expected to include improvement of their accessibility for people with disabilities.

Compliance with the Council Implementing Decision has been ensured with the Chapter 1 of the public invitation, paragraph 12, which stipulates all of the above mentioned requirements as follows: “Investments include thermal insulation of buildings, energy efficient building furniture (windows, glazing, doors), heating, cooling and ventilation systems, energy-efficient lighting and control systems. The implementation work will ensure high health and environmental standards by addressing aspects such as other disaster prevention and protection against climate-related hazards, removal and protection against harmful substances, fire and seismic safety. The renovation of buildings also includes

improving their accessibility for persons with reduced mobility, which will be financed by a part of 9 % of the remaining costs of the energy renovation of the building”.

Furthermore, in line with the description of the measure, since Slovenia is one of the European countries most exposed to seismic risk, energy renovation shall be carried out in parallel with the seismic renovation to ensure a cost-efficient approach and a long lasting effect of the investment. The works shall also respect the aesthetics and architectural quality of the building, by taking into account the possible cultural protection requirements of renovation in the case of buildings belonging to cultural heritage.

Compliance with the Council Implementing Decision has been ensured with the Chapter 1 of the public invitation, paragraphs 13 and 14, which stipulate all of the above mentioned requirements as follows: “Slovenia is one of the most seismic countries in Europe, and for those buildings where necessary, energy renovation will be carried out after static rehabilitation to ensure a cost-effective approach and a long-lasting impact of the investment.

In the case of buildings of administrative and social importance, these are buildings with a very specific dedicated use and the associated specific functional and technical requirements and equipment which significantly increase the cost of sustainable renovation, and in several cases also buildings under cultural protection. The works will respect the aesthetic and architectural quality of buildings by taking into account possible cultural protection requirements when renovating heritage buildings. If a building needs static renovation in addition to energy renovation, the entire cost is necessarily and indivisible”.

Furthermore, in line with the description of the measure, the objective of the investment is focused on the energy renovation of public buildings and also covers energy renovation of publicly-owned residential buildings.

The following categories of buildings shall be eligible: Buildings of exceptional administrative importance due to the COVID-19 epidemic; Buildings of high social importance due to the COVID-19 epidemic.

As stipulated in the Chapter 1, the public invitation is aimed at buildings of exceptional administrative importance due to the COVID-19 epidemic and of buildings of high social importance due to the COVID-19 epidemic, which are owned by the Republic of Slovenia and/or a broader public sector entity founded solely by the Republic of Slovenia, and which are of particular administrative or social importance in the context of the COVID-19 recovery, and ensure optimal performance in the event of a reoccurrence of emergency situations in the country, such as the epidemic, and which, by their intended use, belong to one of the following four categories: buildings dedicated to educational processes, buildings intended to ensure cultural activities and the protection of cultural goods, buildings intended to carry out administrative activities, buildings intended to implement measures to ensure the safety of people, the environment and property. The criteria for establishing which buildings can be considered of exceptional administrative and high social importance due to the COVID-19 epidemic, is laid down in the State Administration Act (Official Gazette No 113/2005, 89/2007, 126/2007, 48/2009, 8/2010, 8/2012, 21/2012, 47/2013, 12/2014, 90/2014, 51/2016, 36/2021, 82/2021 and 189/2021).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 23	Related Measure: Sustainable renovation of buildings		
Name of the Milestone: Opening of a call for proposals for energy and sustainable renovation of publicly owned residential buildings			
Qualitative Indicator: Publication of the call for proposals			Time: Q4 2022
Context: The objective of investment C2.IB is the energy renovation of public buildings and publicly owned residential buildings, aiming to achieve a minimum of 30 % energy savings overall, compared to ex ante emissions, with the exception of investments in the implementation of individual upgrades of technical building systems such as air-conditioning and ventilation systems. Milestone 23 concerns the opening of a call for proposals for the implementation of energy and sustainable renovation of publicly owned residential buildings. Milestone 23 entails works on sustainable energy renovation of buildings such as works on thermal insulation of the building, energy-efficient equipment, seismic renovation. Milestone 23 is the third milestone of the investment, and it follows milestone 21 related to opening of a call for proposals for the implementation of individual upgrades of technical building systems, and milestone 22 related to opening of a public invitation for energy and sustainable renovation of publicly owned buildings of high administrative and social importance. It will be followed by target 24 and target 25 related to completed energy and sustainable renovations of buildings of high administrative and social importance, target 26 related to completed energy and sustainable renovation of buildings through individual upgrades of technical building systems, and target 27 related to completed energy and sustainable renovation of publicly owned residential buildings. The investment has a final expected date for implementation on 30 June 2026.			
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copy of the publication of the call for proposals including all the annexes, showing that the call for proposals is open to applications (Ref: 360-88/2022/7 Ob-3807/22, Page 2656, published in Official Gazette No 161/2022 of 23 December 2022); iii. Justification that the technical specifications of the call for proposals are fully aligned with the description, criteria and conditions as set out in the milestone and of the description of the investment in the CID, in particular, extracts of the official documents providing evidence of compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) (included in the Cover note).			
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. The call for proposals shall be opened for the energy and sustainable renovation of publicly owned residential buildings.			

The call for proposals for the energy and sustainable renovation of publicly owned residential buildings was published in the Official Gazette No. 4/2023 of 4 January 2023.

The call for proposal stipulates in the Chapter 4 paragraph 1 that co-financing is envisaged for energy renovation of multi-apartment buildings in the (co)ownership of public housing funds established by the municipalities or the Republic of Slovenia. The call for proposal further stipulates in the Chapter 4 paragraph 7 that the energy renovation under this call refers to coordinated implementation of energy efficiency measures on the thermal envelope of a building (such as façade, roof, floor) and/or technical building systems (such as heating, ventilation, air-conditioning, hot water preparation).

The call shall be open until the budgetary envelope is exhausted.

The call for proposal stipulates in the Chapter 5.1 that the call shall be opened until the budget has been exhausted.

Selection/eligibility criteria shall ensure compliance with the ‘do no significant harm’ Technical Guidance (2021/C58/01).

The call for proposal stipulates in the Chapter 8.1 that the applicant must demonstrate the compliance of projects to be implemented with the ‘do no significant harm’ principle. The call for proposals further stipulates in the Chapter 9.2 paragraph 3 that the applicant must complete, stamp, and sign the “Self-assessment that the investment will be carried out in line with the ‘do no significant harm’ principle” as included in the Annex 3 of the call. The Annex 3 of the call requires information to be included on the compliance with all six ‘do no significant harm’ criteria. Compliance with the ‘do no significant harm’ is further ensured with the Article 24 of the “Applicable model contract” in the Annex 5 of the call.

Selection/eligibility criteria shall ensure at least a 30 % reduction of direct and indirect greenhouse gas emissions compared to the ex-ante emissions.

Furthermore, in line with the description of the measure, for all the investments, a minimum of 30 % energy savings overall, compared to ex ante emissions, shall be ensured, with the exception of investments in the implementation of individual upgrades of technical building systems such as air-conditioning and ventilation systems.

The call for proposal stipulates in the Chapter 8.1 and Chapter 8.2 that the applicant must demonstrate that the integrated energy renovation of publicly owned multi-apartment buildings will achieve 30 % of overall energy savings at project level, that is a reduction in primary energy use of at least 30 % after renovation, and a reduction of direct and indirect greenhouse gas emissions compared to ex ante emissions of at least 30 %. The call for proposals further stipulates in the Chapter 7.1 that the energy performance certificate will be used to establish the achievement minimum of 30 % energy savings overall that is at least a 30 % reduction of direct and indirect greenhouse gas emissions compared to the ex-ante emissions.

Furthermore, in line with the description of the measure, the investments shall cover costs for the thermal insulation of the building, energy-efficient equipment (windows, glazing, doors), cooling and ventilation systems, energy efficient lighting and control systems. The works shall also ensure high health and environmental standard, by addressing, inter alia, disaster prevention and protection against climate-related hazards, removal of and protection against harmful substances, fire and seismic safety. The renovation of public buildings is expected to include improvement of their accessibility for people with disabilities.

Compliance with the Council Implementing Decision has been ensured with the Chapter 4 of the call for proposals, paragraph 8, which stipulate all of the above-mentioned requirements as follows: “Investments will include thermal insulation of buildings, energy-efficient equipment (windows, glazing, doors), heating and ventilation systems, energy-efficient lighting and control systems. The works will ensure high health and environmental standards by addressing aspects such as disaster

prevention and protection against climate-related hazards, removal and protection against harmful substances, fire and seismic safety. The renovation of public buildings should include improving their accessibility for persons with disabilities”.

Furthermore, in line with the description of the measure, since Slovenia is one of the European countries most exposed to seismic risk, energy renovation shall be carried out in parallel with the seismic renovation to ensure a cost-efficient approach and a long lasting effect of the investment. The works shall also respect the aesthetics and architectural quality of the building, by taking into account the possible cultural protection requirements of renovation in the case of buildings belonging to cultural heritage.

Compliance with the Council Implementing Decision has been ensured with the Chapter 8.1, as well as Chapter 4 of the call for proposals, paragraph 9, which includes all of the above mentioned requirements as follows: “As Slovenia is one of Europe’s most seismic countries, energy renovation will go hand in hand with seismic remediation to ensure a cost-effective approach and a long-lasting impact of investment. The works will respect the aesthetic and architectural quality of the buildings by taking into account possible cultural protection requirements when renovating buildings forming part of cultural heritage”.

Furthermore, in line with the description of the measure, the objective of the investment is focused on the energy renovation of public buildings and also covers energy renovation of publicly-owned residential buildings.

The following categories of buildings shall be eligible: Publicly owned multi-apartment residential buildings.

As stipulated in Chapter 4 in paragraph 1, the call for proposals is aimed at multi-apartment buildings in the (co)ownership of public housing funds established by the municipalities or the Republic of Slovenia. Furthermore, the call for proposals in the Chapter 8.1 requires applicant to provide evidence (such as extract from the land register or co-financing agreement and project management (in case of co-ownership)) that the building to be renovated is (co)owned by the municipality and/or the Republic of Slovenia and/or the public university of which the Republic of Slovenia is the founder.

The criteria for the eligibility of buildings are in line with the Council Implementing Decision since eligible buildings are publicly-owned multi-apartment residential buildings.

Commission Preliminary Assessment: Satisfactorily fulfilled

Restoring and mitigating the effects of climate change and climate-related disasters on resilient forest biodiversity

Number: 36	Related Measure: Restoring and mitigating the effects of climate change and climate-related disasters on resilient forest biodiversity	
Name of the Milestone: Entry into force of amendments to rules on conditions for entry in the register of suppliers and other obligations of suppliers and on the requirements concerning the marketing of forest reproductive material		
Qualitative Indicator: Provision in the amendments indicating the entry into force of rules on conditions for entry in the register of suppliers and other obligations of suppliers and on the requirements concerning the marketing of forest reproductive material		Time: Q4 2022
Context: The objective of this reform is to reduce the risk of the introduction and spreading of forest pests during forest restoration and ensure the transparent tracking of the origin and genetic diversity of forest reproductive material. This will help future forests maintain their health and build resilience to climate change impacts and other risks. Furthermore, the reform is expected to contribute to achieving a good condition of habitats and species linked to the forests. Milestone 36 consists of two points: i) ensuring the quality of forest reproductive material by amending the conditions for entry in the register of suppliers and other obligations of suppliers and on the requirements concerning the marketing of forest reproductive material; and ii) allowing the tracking of forest reproductive material by amending the Certificates for Forest Reproductive Material. Milestone 36 is the only milestone or target of this reform.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i.Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii.Copy of the amended Rules on conditions for entry in the register of suppliers and other obligations of suppliers and requirements for the marketing of forest reproductive material (No. 007-401/2021) adopted by the Ministry of Agriculture, Forestry, and Food on 17 September 2021 and published in the Official Gazette of the Republic of Slovenia (No. 153/21) on 24 September 2021. iii.Copy of the Rules amending the Rules on conditions for entry in the register of suppliers and other obligations of suppliers and requirements for the marketing of forest reproductive material (No. 007-112/2022) adopted by the Ministry of Agriculture, Forestry, and Food on 20 April 2022 and published in the Official Gazette of the Republic of Slovenia (No. 56/22) on 22 April 2022. iv.Copy of the amended Rules on the main certificates of identity of forest reproductive material (No. 007-393/2022) adopted by the Ministry of Agriculture, Forestry, and Food on 7 December 2022 and published in the Official Gazette of the Republic of Slovenia (No. 155/22) on 9 December 2022. The authorities also provided: v.Copy of the Rules on conditions for entry in the register of suppliers and other obligations of suppliers and requirements for the marketing of forest reproductive material (No. 322-04-10/2003) adopted by the Ministry of Agriculture, Forestry, and Food on 30 October		

2003, published in the Official Gazette of the Republic of Slovenia (No. 109/03) on 10 November 2003 and expired on 9 October 2021. vi. Copy of the Rules amending the Rules on attestations and master certificates for forest reproductive material (No. 2012-01-2341) adopted by the Ministry of Agriculture, Forestry, and Food on 12 July 2012, published in the Official Gazette of the Republic of Slovenia (No. 55/12) on 20 July 2012 and expired on 24 December 2022.
Analysis: The justification and substantiating evidence provided by the Slovenia authorities covers all constitutive elements of the milestone. The conditions for entry in the register of suppliers and other obligations of suppliers and on the requirements concerning the marketing of forest reproductive material shall ensure the quality of forest reproductive material. The amended Rules on conditions for entry in the register of suppliers and other obligations of suppliers and requirements for the marketing of forest reproductive material (No. 007-401/2021) (<i>hereinafter referred to as "Rules on conditions for entry in the register of suppliers"</i>), which entered into force on 9 October 2021 (Article 21), ensure the quality of forest reproductive material through: i. Article 2 (Requirements regarding professional competence), which ensures the unification of the level of education in compliance with the new education system regarding the higher school education nomenclature. It also adjusts the requirements regarding work experience and the conditions regarding the professional qualification of the responsible professional representative of the supplier of forest reproduction material. This will ensure a greater number of registered suppliers of forest reproductive material with sufficient professional competence and a wider production of forest reproductive material throughout the territory of Slovenia. ii. Article 4 (Requirements regarding land, buildings, machinery and equipment), which requires the supplier to have the needed land, facilities, equipment and packaging that enable physical separation and labelling of individual batches of planting and seed material. With this, all land, facilities, equipment and packaging are covered and are subject to inspection. iii. Article 5 (Application for entry in the register), which added the option of submitting an application for entry into the forest reproductive material supplier register via electronic form (SPOT - Slovenian business point), as well as a new condition to provide evidence of the absence of phytophthora sp. in the soil substrate and water for watering. iv. Article 7 (Criteria for the appropriate quality of forest reproductive material; Requirements for plant parts), which added conditions for ensuring the appropriate quality of plant parts. The Article requires that the marketed forest reproductive material must be professionally and medically inspected twice a year, while the soil, substrate and watering water must be tested for the presence of phytophthora sp. periodically (at least every five years). v. Article 8 (Criteria for the appropriate quality of forest reproductive material; Requirements for planting material), which added conditions for ensuring the appropriate quality of planting material. The Article requires that the marketed forest reproductive material must be professionally and medically inspected twice a year, while the soil, substrate and watering water must be tested for the presence of phytophthora sp. periodically (at least every five years). Furthermore, the Rules amending the Rules on conditions for entry in the register of suppliers and other obligations of suppliers and requirements for the marketing of forest reproductive material (No. 007-112/2022) (<i>hereinafter referred to as "Rules amending the rules on conditions for entry in the register of suppliers"</i>), which entered into force on 7 May 2022 (Article 3), determine under point (č) of the

second paragraph of Article 5 (Application for entry into the register), that the suppliers who are exclusively engaged in the marketing of seed material need to provide a written statement, with which they guarantee that they are not engaged in the production of planting material. This ensures further clarity in the rules applicable to the suppliers engaged only in the marketing of seed material and not the production.

The Certificates for Forest Reproductive Material shall allow tracking of forest reproductive material.

The amended Rules on the main certificates of identity of forest reproductive material (No. 007-393/2022) (*hereinafter referred to as "Rules on the main certificates"*), which entered into force on 24 December 2022 (Article 10), allow the tracking of forest reproductive material through:

- i. Article 4 (Certificate on the origin of reproductive material), which defines the detailed procedure for obtaining a certificate on the origin of reproductive material, which is issued by the Forestry Institute of Slovenia. The certificate referred to in this Article must be used for keeping a record of the obtained seeds, parts of plants or plucks in the forest seed facilities.
- ii. Article 5 (Certificate on the supervision over the mixing of reproductive material), which requires the suppliers to first obtain a certificate from the forestry inspector on the expert supervision over the mixing of reproductive material before they can receive the main certificate of identity of forest reproductive material. Furthermore, the Article specifies that the suppliers must inform the forestry inspector of their intention to mix reproduction material, whereby the forestry inspectorate performs a direct expert supervision of the mixing process.
- iii. Article 6 (Issuing of main certificates), which introduces a new form and details the procedure for obtaining the main certificate of identity of forest reproductive material. Furthermore, the Article specifies the requirements in the case of importing reproductive material, whereby the supplier also must provide a copy of the import decision issued by the competent phytosanitary inspection unit; a customs document proving the place, date and quantity in the imported shipment; and documents from official bodies or suppliers of the exporting country proving the identity of the reproduction material for which the main certificate is issued.

Furthermore, in line with the description of the measure, **the Rules on Certificates for Forest Reproductive Material shall be amended to improve expert supervision.** This is governed by Article 5 of the Rules on the main certificates, which stipulates that expert supervision is required when the suppliers are mixing the reproductive material and indicates that the forestry inspectorate performs a direct expert supervision of the mixing process.

Furthermore, in line with the description of the measure, **the reform on the forest protection and restoration addresses the Commission's recommendation for the Strategic Plan of the Common Agricultural Policy of Slovenia (SWD(2020) 394) by reducing the risk of the introduction and spreading of forest pests during forest restoration and by ensuring expert supervision through transparent tracking of the origin and genetic diversity of forest reproductive material, which enables future forests to adapt to the changing environment, in particular by maintaining the health and adaptability of forests to climate changes.** The amendments of the regulations allow future forests to adapt to the changing environment, maintain the health and adaptability of forests to climate changes by:

- i. simplifying and unifying the applications and requirements for suppliers to enter the Register, as well as better defining the control system for their registration (Article 5 of the Rules on conditions for entry in the register of suppliers; and Article 5č of the Rules amending the Rules on conditions for entry in the register of suppliers);
- ii. enabling the prevention of the introduction of harmful pests and diseases to forests through clearer definitions of healthy forest reproductive material and with additional

control, esp. of Phytophthora sp. (Articles 7 and 8 of the Rules on conditions for entry in the register of suppliers); iii. the better-defined system for certification of forest reproductive material to allow clear traceability of the origin and the genetic diversity of forest reproductive material from the basic material to the end-user, thus better enabling the professional services to support the resilience of future forests (Articles 4, 5 and 6 of the Rules on the main certificates). Furthermore, in line with the description of the measure, the reform shall contribute to achieving a good condition of habitats and species linked to the forests in order to enhance ecological services and biodiversity, and to build resilience to threats such as climate change impacts on forests. This is being ensured by the improved capacity in the production, better quality and appropriate use of forest reproductive material, as well as by the subsequently the protection of forest health achieved through the amendments of the Rules on conditions for entry in the register of suppliers (Articles 2, 4, 5, 7 and 8). In addition, this is supported by the improved tracking and control of forest reproductive material supported by the amendments of the Rules on the main certificates (Articles 4, 5 and 6).
Commission Preliminary Assessment: Satisfactorily fulfilled

Urban waste water discharge and treatment projects

Number: 38	Related Measure: Urban waste water discharge and treatment projects	
Name of the Milestone: Award of grants for urban waste water discharge and treatment projects		
Qualitative Indicator: Communication of awards		Time: Q4 2022
Context:		
The objective of this investment is to support the construction of additional wastewater systems with a net zero energy use and the renewal of additional wastewater system to lead to a decreased average energy use by at least 10 %. Furthermore, the focus of the investment is on wastewater discharge and treatment systems that contribute to the conservation of Natura 2000 areas and water conservation areas. Milestone 38 concerns the award of grants to municipalities for urban wastewater discharge and treatment projects selected through a dedicated call for proposals. Projects are addressing either the reconstruction of existing systems, which are expected to increase energy efficiency and reduce the consumption of electricity, or newly build systems with a net zero energy consumption. Milestone 38 is the first step of the implementation of the investment and it will be followed by targets 39, 40 and 41, related to the number of completed urban waste water discharge and treatment projects. The investment has a final expected date for implementation by 30 June 2026.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: - i.Summary document duly justifying how the milestone (including all the constitutive elements, as well as the list of recipients) was satisfactorily fulfilled with links to the underlying evidence. - ii.Copy of the Call for the allocation of funding for "Investments in urban wastewater discharge and treatment systems located in agglomerations with less than 2,000 PE" (No. 35500-7/2022-2550), containing the selection criteria and technical specifications ensuring the alignment of the projects with the EU acquis and environmental regulations, published in the Official Gazette of the Republic of Slovenia no. 6/22 of 14 January 2022 and on the website: https://www.gov.si/zbirke/javne-objave/javni-razpis-za-dodelitev-sredstev-investicije-v-sisteme-odvajanja-in-ciscenja-odpadne-vode-ki-lezijo-na-manjsih-aglomeracijah-od-2-000-pe-c1-k3-ih-na-nacrt-za-okrevanje-in-odpornost/. - iii.Copy of the First amendment of the call for the allocation of funding for "Investments in urban wastewater discharge and treatment systems located in agglomerations with less than 2,000 PE" (No. 35500-7/2022-2550-19), published in the Official Gazette of the Republic of Slovenia no. 58/22 of 29 April 2022. - iv.Copy of the Second amendment of the call for the allocation of funding for "Investments in urban wastewater discharge and treatment systems located in agglomerations with less than 2,000 PE" (No. 35500-7/2022-2550-58), published in the Official Gazette of the Republic of Slovenia no. 135/22 of 21 October 2022. - v.Copy of the Grant award decisions for 15 urban wastewater discharge and treatment projects (No. 35500-226/2022-2550-10, 35500-222/2022-2550-11, 35500-159/2022-2550-9, 35500-158/2022-2550-12, 35500-155/2022-2550-10, 35500-153/2022-2550-11, 35500-152/2022-2550-12, 5500-151/2022-2550-9, 35500-148/2022-2550-11, 35500-103/2022-2550-12, 35500-100/2022-2550-12, 35500-98/2022-2550-11, 35500-97/2022-2550-12, 35500-96/2022-2550-11, 35500-95/2022-2550-11) issued by the Ministry of Natural Resources and Spatial Planning by 31 March 2023.		

- vi. Copy of the Building permits for 15 urban wastewater projects receiving the grant award, including the technical specifications of the project proving alignment with the EU acquis and environmental regulations, issued by the responsible Administrative units of the Republic of Slovenia.
- vii. Copy of 15 Declarations on the fulfilment of the 'do no significant harm' principle issued by the municipalities receiving the grant award.

The authorities also provided:

- viii. Copy of the Project applications for 15 urban wastewater projects prepared by the respective municipalities receiving the grant award.
- ix. Copy of the Investment programme for 15 urban wastewater projects prepared by experts for the respective municipalities receiving the grant award.
- x. Copy of the Supplements to the project application on the assessment of the energy consumption for 15 urban wastewater discharge and treatment projects prepared by experts for the respective municipalities receiving the grant award.
- xi. Copy of an example of a Co-financing agreement signed between the Municipality of Ivančna Gorica and the Ministry of Natural Resources and Spatial Planning.

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Award of grants for 15 urban waste water discharge and treatment projects. Furthermore, in line with the description of the measure, **the investment shall be implemented through grants to municipalities for projects selected by the Ministry of Environment and Spatial Planning through a dedicated call for projects.**

The public call for the allocation of funding for "Investments in urban wastewater discharge and treatment systems located in agglomerations with less than 2,000 PE" (No. 35500-7/2022-2550) (*hereinafter referred to as "Amended call for wastewater projects"*) was launched by the Ministry of Environment and Spatial Planning in the Official Gazette of the Republic of Slovenia on 14 January 2022. The call was amended twice in 2022 (with the First amendment No. 35500-7/2022-2550-19 and Second amendment No. 35500-7/2022-2550-58).

In accordance with the conditions and criteria set in the Amended call for wastewater projects, the Ministry of Natural Resources and Spatial Planning (as renamed following the amendment of the Civil Service Act published in the Official Gazette of the Republic of Slovenia No. 18/23 on 12 February 2023) issued grant award decisions for 15 urban wastewater discharge and treatment projects (35500-226/2022-2550-10, 35500-222/2022-2550-11, 35500-159/2022-2550-9, 35500-158/2022-2550-12, 35500-155/2022-2550-10, 35500-153/2022-2550-11, 35500-152/2022-2550-12, 5500-151/2022-2550-9, 35500-148/2022-2550-11, 35500-103/2022-2550-12, 35500-100/2022-2550-12, 35500-98/2022-2550-11, 35500-97/2022-2550-12, 35500-96/2022-2550-11, 35500-95/2022-2550-11) (*hereinafter referred to as "Grant award decisions for 15 urban wastewater discharge and treatment projects"*). The Slovenian authorities provided copies of the Grant award decisions for all 15 projects, which confirm in the Explanatory section that all the criteria indicated in the call have been met and all the required documentation has been provided. In line with Article 5 of the mentioned call, the recipients of the grant awards are the municipalities.

Projects shall address the reconstruction of existing systems to increase energy efficiency and reduce the consumption of electricity by at least 10 %. Newly built systems shall have a net zero energy consumption.

As indicated in the Explanatory section of the provided Grant award decisions for the 10 urban wastewater discharge and treatment projects, the grants were awarded for the projects for which the expert committee confirmed that all the criteria specified in the call (including in relation to the energy requirements) have been met and all the required documentation has been provided. These criteria are stipulated in point 4, paragraph 1 of the Amended call for wastewater projects, which specify that the newly built systems or newly built parts of the wastewater discharge and treatment systems in each agglomeration are required to achieve energy neutrality of the system, that is net zero energy consumption, while the upgrades of the existing sewage discharge and treatment plants must reduce the average consumption of electricity by at least 10%. Furthermore, as defined under paragraph 2 of point 4, the energy certificate produced by the authorized company (which must be consistent with the calculations and statements in the application or accompanying documentation), is a mandatory document at the end of the investment. In line with this, the Slovenian authorities provided copies of the Investment programmes and Supplements to the project application containing the required energy statements and calculations from the recipients of the grant award for all 15 projects.

As specified under point 2 and in the Explanatory section of the provided Grant award decisions for the 15 urban wastewater discharge and treatment projects, as well as in the Amended call for projects, once the recipients of the grant award fulfil the conditions as defined in the call for projects and the grant award decision, a Co-financing Agreement is signed between the recipient and the Ministry of Natural Resources and Spatial Planning, which regulates the mutual relations and the rights and obligations of the recipient. In line with Article 8 of the Co-financing Agreement and upon completion of the investment, the recipient must meet the following investment parameters from the approved application:

- i. When building a new system or a part of the wastewater disposal and treatment system in each agglomeration, it is necessary to achieve the energy neutrality of the system, that is no additional energy consumption.
- ii. When upgrading the existing sewage treatment plant, the average consumption of electricity must be reduced by at least 10%.
- iii. The energy certificate produced by the authorized company, which must be consistent with the calculations and statements in the application or accompanying documentation, is a mandatory document attached at the end of the investment.

Projects shall focus on nature protection areas. Furthermore, in line with the description of the measure, **the investments shall focus on projects concerning waste water systems contributing to Natura 2000 sites and water protection areas.**

As stated in point 3, paragraph 2 of the Amended call for wastewater projects, the investments are primarily intended for projects in wastewater discharge and treatment systems that contribute to the conservation of nature protection areas (Natura 2000 areas and water conservation areas). In accordance with Article 6, point 10 of the above-mentioned call, wastewater discharge and treatment systems located in the Natura 2000 area or in the water protection area will receive a 10% supplement for co-financing. The purpose is to encourage the municipalities to properly organize wastewater discharge and treatment systems by renovating the existing systems or building new ones in these areas and thus prevent sewage from flowing into Nature 2000 areas and set higher standard of protection of these areas.

As explained in the summary document, which includes the list of recipients with the relevant project information (pages 5-6), 9 out of 15 projects will be implemented in nature protection areas. This is also evident from section III of the Project applications and indicated in the Explanatory section of the Grant award decisions for the 15 projects, which confirm that all the criteria in the call (including in relation to the nature protection areas) have been met and all the required documentation has been provided.

Commission Preliminary Assessment: Satisfactorily fulfilled

Drinking water supply and savings projects

Number: 42	Related Measure: Drinking water supply and savings projects	
Name of the Milestone: Award of grants for drinking water supply projects		
Qualitative Indicator: Communication of awards		Time: Q4 2022
Context:		
The objective of the investment is to reduce water losses in the Slovenian drinking water supply system, which are still substantial due to the outdated drinking water infrastructure, and to improve the energy efficiency of these systems. This is expected to be achieved through the construction of new or the reconstruction of existing drinking water supply systems. Milestone 42 concerns the award of grants to municipalities for drinking water supply projects selected through a dedicated call for proposals. Projects are addressing either the reconstruction of existing systems, which are expected to increase energy efficiency and reduce the consumption of electricity, or newly build systems with an average energy consumption of less than or equal to 0.5 kWh or an Infrastructure Leakage Index (ILI) of no more than 1.5. Milestone 42 is the first step of the implementation of the investment and it will be followed by targets 43, 44 and 45, related to the number of completed drinking water supply projects. The investment has a final expected date for implementation by 30 June 2026.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements, as well as the list of recipients) was satisfactorily fulfilled with links to the underlying evidence. ii. Copy of the Call for the allocation of funding for "Investments in water supply systems serving less than 10.000 inhabitants" (No. 35500-8/2022-2550), containing the selection criteria and technical specifications ensuring the alignment of the projects with the EU acquis and environmental regulations, published in the Official Gazette of the Republic of Slovenia no. 6/22 of 14 January 2022 and on the website: https://www.gov.si/zbirke/javne-objave/javni-razpis-za-dodelitev-sredstev-investicije-v-vodovodne-sisteme-ki-oskrbujejo-manj-kot-10-000-prebivalcev-c1-k3-ii-nacrt-za-okrevanje-in-odpornost/. iii. Copy of the First amendment of the call for the allocation of funding for "Investments in water supply systems serving less than 10.000 inhabitants" (No. 35500-8/2022-2550-23), published in the Official Gazette of the Republic of Slovenia no. 58/22 of 29 April 2022. iv. Copy of the Second amendment of the call for the allocation of funding for "Investments in water supply systems serving less than 10.000 inhabitants" (No. 35500-8/2022-2550-60), published in the Official Gazette of the Republic of Slovenia no. 135/22 of 21 October 2022. v. Copy of the Grant award decisions for 15 drinking water supply projects (No. 35500-62/2022-2550, 35500-64/2022-2550, 35500-65/2022-2550, 35500-67/2022-2550, 35500-69/2022-2550, 35500-71/2022-2550, 35500-72/2022-2550, 35500-74/2022-2550, 35500-137/2022-2550, 35500-138/2022-2550, 35500-211/2022-2550, 35500-324/2022-2550, 35500-533/2022-2550, 35500-613/2022-2550, 35500-614/2022-2550), issued by the Ministry of Natural Resources and Spatial Planning. vi. Copy of the Building permits for 15 drinking water supply projects receiving the grant award, including the technical specifications of the project proving alignment with the EU		

acquis and environmental regulations, issued by the responsible Administrative units of the Republic of Slovenia. vii. Copy of 15 Declarations on the fulfilment of the 'do no significant harm' principle issued by the municipalities receiving the grant award. The authorities also provided: i. Copy of the Project applications for 15 drinking water supply projects prepared by the respective municipalities receiving the grant award. - ii. iii. Copy of the Investment programme for 15 drinking water supply projects prepared by experts for the respective municipalities receiving the grant award. - iv. v. Copy of the Supplements to the project application on the assessment of the energy consumption/water loss for 15 drinking water supply projects prepared by experts for the respective municipalities receiving the grant award. vi. Copy of an example of a Co-financing agreement signed between the recipients of the grant award and the Ministry of Natural Resources and Spatial Planning.
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. Award of grants for drinking water supply projects. Furthermore, in line with the description of the measure, the investment shall be implemented through grants to municipalities for projects selected by the Ministry of Environment and Spatial Planning through a dedicated call for projects. The public call for the allocation of funding for "Investments in water supply systems serving less than 10.000 inhabitants" (No. 35500-8/2022-2550) (<i>hereinafter referred to as "Amended call for drinking water supply projects"</i>) was launched by the Ministry of Environment and Spatial Planning in the Official Gazette of the Republic of Slovenia on 14 January 2022. The call was amended twice in 2022 (with the First amendment 35500-8/2022-2550-23 and the Second amendment No. 35500-8/2022-2550-60). In accordance with the conditions and criteria set in the Amended call for drinking water supply projects, the Ministry of Natural Resources and Spatial Planning (as renamed following the amendment of the Civil Service Act published in the Official Gazette of the Republic of Slovenia no. 18/23 on 12 February 2023) issued grant award decisions for 15 drinking water supply projects (No. 35500-62/2022-2550, 35500-64/2022-2550, 35500-65/2022-2550, 35500-67/2022-2550, 35500-69/2022-2550, 35500-71/2022-2550, 35500-72/2022-2550, 35500-74/2022-2550, 35500-137/2022-2550, 35500-138/2022-2550, 35500-211/2022-2550, 35500-324/2022-2550, 35500-533/2022-2550, 35500-613/2022-2550, 35500-614/2022-2550) (<i>hereinafter referred to as "Grant award decisions for 15 drinking water supply projects"</i>). The Slovenian authorities provided copies of the Grant award decisions for all 15 projects, which confirm in the Explanatory section that all the criteria indicated in the call have been met and all the required documentation has been provided. In line with Point 4 of the Amended call, the recipients of the grant awards are the municipalities. Projects shall address the reconstruction of existing systems to increase energy efficiency and reduce the consumption of the electricity by at least 10 %, and with the aim of ensuring that a newly built system has an average energy consumption of less than or equal to 0.5 kWh or an ILI of 1.5 or less As stipulated in point 3, paragraph 1 and point 6, paragraph 1 of the Amended call for drinking water supply projects, the construction of new drinking water supply systems or the reconstruction of

existing systems with hydraulic/energy efficiency improvements of the whole or parts of the system, with obtained building permits, has to fulfil the following requirements upon completion of the investment:

- i. As regards the construction of new systems, the projects must provide an average energy consumption of less than or equal to 0.5 kWh or an Infrastructure Leakage Index (ILI) of 1.5;
- ii. As concerns the reconstruction of existing systems, the projects must ensure a reduction of the average electricity consumption by 20%.

As indicated in the Explanatory section of the provided Grant award decisions for the 15 drinking water supply projects, the grants were awarded for the projects for which the expert committee confirmed that all the criteria specified in the call (including in relation to the energy and water loss requirements) have been met and all the required documentation has been provided. These criteria are defined under paragraph 2 of point 6 of the Amended call, the energy certificate produced by the authorized company (which must be consistent with the calculations and statements in the application or accompanying documentation), is a mandatory document at the end of the investment. In line with this, the Slovenian authorities provided copies of the Investment programme and Supplements to the project application containing the required energy statements and calculations prepared by experts for the recipients of the grant award. In addition, for the projects where the main aim would be reducing water losses, the Slovenian authorities provided Supplements to the project application containing the assessment of the water losses prepared by experts for the recipients of the grant award.

As specified under point 2 and in the Explanatory section of the provided Grant award decisions for the 15 drinking water supply projects, as well as in the Amended call for projects, once the recipients of the grant award fulfil the conditions as defined in the call and the grant award decision, a Co-financing Agreement will be signed between the recipient and the Ministry of Natural Resources and Spatial Planning, which regulates the mutual relations and the rights and obligations of the recipient. In line with Article 8 of the Co-financing Agreement and upon completion of the investment, the recipient must meet the following investment parameters from the approved application:

- i. Constructing a new or reconstructing the whole or parts of the water supply systems (ensuring hydraulic improvements), supported by a valid building permit;
- ii. As regards the construction of new drinking water supply systems newly built systems have an average energy consumption of less than or equal to 0.5 kWh or ensure an Infrastructure Leakage Index (ILI) of 1.5 or less;
- iii. As regards the reconstruction of drinking water supply systems reconstructed existing systems reduce the consumption of the electricity by at least 20 % or more.

Furthermore, in line with the description of the measure, **the investment consists in renovating existing drinking water supply systems to decrease the average energy consumption by more than 20% or decrease leakage by more than 20%.**

As stipulated in point 3, paragraph 1 and point 6, paragraph 1 of the Amended call for drinking water supply projects, the reconstruction of existing systems with hydraulic/energy efficiency improvements of the whole or parts of the system, with obtained building permits, has to ensure that the average annual energy consumption will be reduced by at least 20% or water leakages by more than 20%. As indicated in the Explanatory section of the provided Grant award decisions for the 15 drinking water supply projects, the grants were awarded for the projects for which the expert committee confirmed that all the criteria specified in the call (including in relation to the energy and water loss requirements) have been met and all the required documentation has been provided.

As defined under paragraph 2 of point 6 of the Amended call, the energy certificate produced by the authorized company (which must be consistent with the calculations and statements in the application or accompanying documentation), is a mandatory document at the end of the investment. In line with this, the Slovenian authorities provided copies of the Investment programme and Supplements to the project application containing the required energy statements and calculations prepared by experts for the recipients of the grant award. In addition, for the projects where the main aim would be reducing water losses, the Slovenian authorities provided Supplements to the project application containing the assessment of the water losses prepared by experts for the recipients of the grant award.

Commission Preliminary Assessment: Satisfactorily fulfilled

Reform of the organisation of public passenger transport

Number: 54	Related Measure: Reform of the organisation of public passenger transport	
Name of the Milestone: Entry into force of the Act establishing an integrated public passenger transport operator		
Qualitative Indicator: Provision in the law indicating the entry into force of the Act		Time: Q2 2022
Context: The milestone 54 is part of the reform A “Reform of the organisation of public passenger transport”, whose objective is to promote and enhance the accessibility and competitiveness of public transport to recover after the pandemic. The reform shall establish an integrated public passenger operator at the national level, which shall support the integration of rail and bus public transport with intercity, urban, school and labour transport. The reform is expected to significantly improve the accessibility standard for public transport. Milestone 54 requires the entry into force of an Act establishing an integrated public passenger transport operator. The law shall confer tasks currently operated by the Ministry of Infrastructure, municipalities, and Slovenian Railways to an integrated public passenger transport management company. The company shall, inter alia, promote the development of public passenger transport, propose amendments to legislation and other acts, ensure planning of needs, conduct public procurement procedures, manage the ticketing system, ensure appropriate supervision, and provide information to passengers. Milestone 54 is the first step of the implementation of the Reform A “Reform of the organisation of public passenger transport” and it will be followed by milestone 55, related to making the public passenger transport management company operational, and target 56, resulting in the increase in public transport service. The reform has a final expected date for implementation by 30 June 2025.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled (Ministry of Infrastructure, 20 October 2023) - ii.; Copy of the Act establishing the Management of Public Passenger Transport Act (https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-1182?sop=2022-01-1182) published in the Official Gazette of the Republic of Slovenia No. 54/2022 on 20 April 2022. The National Assembly adopted the Act on 6 April 2022 and the Act entered into force on 5 May 2022.		
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. The law shall confer tasks currently operated by the Ministry of Infrastructure, municipalities, and Slovenian Railways to an integrated public passenger transport management company. Furthermore, in line with the description of the measure, the reform shall be implemented through the entry into force of a new law on public passenger transport. On 6 April 2022, the National Assembly of the Republic of Slovenia adopted the Public Passenger Traffic Management Act (hereinafter referred to as the “Act”) which was published in Official Gazette		

of the Republic of Slovenia No 54/22 and entered into force on 5 May 2022, in accordance with Article 41 (entry into force). The evidence is provided on the link above to the publication of the Act in the national Official Gazette (among evidence provided).

The Act provides that for the purpose of managing public passenger transport, the Public Passenger Traffic Management Company (*hereinafter referred to as "PPTMC"*) will be established. The Act provides (Article 18) that the tasks ~~[ob]~~ of the Directorate for Public Passenger Transport of the Ministry of Infrastructure are to be transferred to the PPTMC based on a contract between the Ministry (representing the State) and the PPTMC laid out in Article 16.

As regards the transfer of tasks from the local communities (municipalities) and the Slovenian Railways, Article 38 of the Act provides that the PPTMC will take over the responsibility for the management of public passenger intercity bus traffic and railway traffic within 18 months from the enactment of the Act. Furthermore, Article 27 of the Act specifies the allocation of responsibilities between the PPTMC and the local communities, as well as the conditions for the transfer of tasks from the local communities to the PPTMC.

The company shall, inter alia, promote the development of public passenger transport, propose amendments to legislation and other acts, ensure planning of needs, conduct public procurement procedures, manage the ticketing system, ensure appropriate supervision, and provide information to passengers

With regard to the promotion of the development of public passenger transport, the Act names seven key objectives of public passenger transport, which are primarily designed to promote the development of public passenger transport. In accordance with Article 7 of the Act, these objectives are as follows:

- the effective and efficient provision of an economic public passenger transport service;
- keeping travelling times as short as possible in the system of public commercial public passenger transport services;
- integration of intercity lines with urban lines and other services;
- informing the population about the possibility of using public passenger transport;
- specific and interconnected advanced forms of public passenger transport, such as call and customised services according to their specificities;
- increased use of vehicles powered by alternative fuels;
- achieving a higher level of user satisfaction.

The objectives will be promoted through different tasks in accordance with Article 17 of the Act.

With regard to the proposal of amendments to legislation and other acts, on the basis of points 10 and 11 of the second paragraph of Article 17 of the Act, the PPTMC will prepare expert assessments for determining the policy and strategy for the development of public passenger transport and other documents in the field of public transport, draw up studies in the field of public passenger transport management and cooperate with other institutions and bodies in drawing up studies, strategies, long-term plans and plans. On this basis, the PPTMC is involved in the preparation of the professional recommendations for defining policies and strategies for the development of public passenger transport and the preparation of other documents in the field of public passenger transport. In this capacity, the PPTMC is in the position to propose amendments and additions to the legislation in the field of public passenger transport and other implementing acts and acts in related areas (see Article 17(2), point 1 of the Act).

With regard to the planning of needs, in accordance with points 5, 15 and 19 of the second paragraph of Article 17 of the Act, the PPTMC will monitor the needs of public passenger transport users and develop appropriate solutions, determine the needs for long-distance transport services and enable

integrated public passenger transport routes in domestic transport, access to timetables, ticket prices and traffic information. In accordance with point 4 of Article 17(2), the PPTMC is also required to carry out research in the field of public passenger transport, which includes, inter alia, research on users' needs.

With regard to the public procurement, in accordance with point 1 of the second paragraph of Article 16 of the Act, the PPTMC will prepare and publish tenders for the granting of concessions and public procurement procedures for the conclusion of transport contracts to be carried out.

With regard to the management of the ticketing system, pursuant to point 6 of the second paragraph of Article 17 of the Act, the PPTMC will operate a through-ticket system, which includes the issue, sale and use of through-tickets, distribute revenues from the sale of through-tickets, handle complaints, manage card schemes, develop and maintain a through-ticket system and set up, manage and maintain a single information system and a centrally computerised database and conclude contracts for inclusion in the through-ticket system. The PPTMC will also collect, analyse and process statistics derived from the through-ticket system, which are essential for further billing (Article 17(2), point 7 of the Act).

To ensure appropriate supervision, the PPTMC will be responsible for the supervision of the provision of mandatory public utility service of regular domestic public road and rail passenger transport services and control over the use of public funds

as provided for in point 9 of Article 16 of the Act, and will ensure, in accordance with Article 25 of the Act, control of the use of tickets. Based on the Article 28, the Ministry of Infrastructure will supervise the company and their financing of the mandatory public utility services of regular domestic road and rail passenger transport. This means that the company will supervise if the service of bus and rail passenger transport for which they will conclude contracts based on public procurement are delivered (so quality of service in line with principles stipulated in line with Articles 3, 4, 5, 6 of the Act have been delivered) as well as if the ticketing system is correct. This constitutes an important element of the reform – that an expert body takes over supervision of technical and quality issues. In terms of financial supervision, Ministry of Infrastructure, as the founder of this company, will have to ensure supervision (Act 28). Additionally, in line with point 9 of Article 18, the manners and types of supervision of the contractual obligations between Republic of Slovenia and Public Passenger Transport Manager, especially as regards their quality and timely implementation of their tasks will be stipulated in a contract that will further define the details of supervision.

To provide information to passengers, pursuant to points 6 and 8 of the second paragraph of Article 17 of the Act, PPTMC will manage and maintain a single information system and a centrally computerised database. Through this kind of database, the PPTMC will be able to provide accurate information to passengers by enabling integrated public passenger transport routes in domestic transport, access to timetables, ticket prices and traffic information (Article 17(2), point 19 of the Act), providing a call centre to support passengers and participants in the public passenger transport system (Article 17(2), point 17 of the Act) and promoting public transport (Article 17(2)(14)).

Furthermore, in line with the description of the measure, **the reform shall establish an integrated public passenger operator at the national level, which shall support the integration of rail and bus public transport with intercity, urban, school and labour transport.**

In line with Article 17(2), the PPTMC is responsible for i) managing the single ticket system, which is aimed at ensuring the integration of different types of public passenger transport at the national level under a single ticket (point 6), ii) concluding contracts with local communities/municipalities

(responsible for urban and school transport) (point 12) and the private sector (responsible for the transport of workers) on the co-financing of the implementation of the public service of public passenger transport (point 12), and iii) enables route planning of integrated public passenger traffic in internal traffic, the access to timetables, ticket prices and traffic information (point 19). In addition, section IV of the Act (Articles 21-24) defines the role of the PPTMC and conditions for the implementation of the system of integrated public line passenger transport, specifically for the integration of intercity passenger transport and urban passenger transport lines; intercity passenger transport and special passenger transport lines; and intercity passenger transport and passenger cable cars transport lines. Furthermore, in line with Article 38, the PPTMC will take over responsibilities of managing intercity bus line and railway public passenger traffic within 18 months from the enactment of the Act.

Commission Preliminary Assessment: Satisfactorily fulfilled

Increasing railway infrastructure capacity

Number: 57	Related Measure: Increasing railway infrastructure capacity	
Name of the Milestone: Award of contracts for upgrading railway sections		
Qualitative Indicator: Communication of awards to upgrade railway tracks on sections: Kranj – Jesenice, Ljubljana – Brezovica and Brezovica – Preserje and Preserje – Borovnica		Time: Q4 2022
Context: The measure aims to increase railway infrastructure capacity. It shall promote rail transport and connectivity with urban centres. It shall also improve accessibility of railway stations to a wider population, including people with disabilities. The selected projects of upgrading railway lines shall improve the transport service, both for passenger and freight transport. Milestone 57 requires an award of contracts for upgrading railway sections. The awards of contracts will enable the promotion of rail transport and connectivity with city centres within the framework of sustainable mobility. Milestone 57 is the first step of the implementation of the investment C Increasing railway infrastructure capacity and it will be followed by milestone 58, related to an award of contracts to upgrade the Grosuplje and Domžale railway stations, target 59 related to upgraded railway stations, and target 60 related to length of upgraded railway lines. The milestones and targets related to the implementation of the investment shall be completed by 30 June 2025.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled (Ministry of Infrastructure, 20 October 2023) ii. Tables confirming compliance with the ‘Do no significant harm’ Technical Guidance for the railway sections Kranj-Jesenice, Ljubljana-Brezovica and Brezovica-Preserje-Borovnica prepared by the Ministry of Infrastructure (Ministry of Infrastructure, 20 October 2023); iii. Contract award notifications and links to the website of the public procurement portal, including the project documentation for the individual railway sections: • Kranj – Podnart (contract no. 2431-20-300094), awarded on 8 October 2020 and published on the public procurement portal on 16 October 2020; https://www.enarocanje.si/Obrazci/?id_odlocitve=71150&id_obrazec=370512. • Podnart – Lesce Bled (contract no. 2431-20-300036); awarded on 21 August 2020 and published on the public procurement portal on 22 September 2020; https://www.enarocanje.si/Obrazci/?id_obrazec=343062. • Lesce Bled – Jesenice (contract no. 2431-21-300100), awarded on 28 May 2021 and published on the public procurement portal on 4 June 2021; https://www.enarocanje.si/Obrazci/?id_obrazec=397649. • Ljubljana – Brezovica (contract no. 2431-21-300031), awarded on 9 July 2021 and published on the public procurement portal on 11 August 2021; https://www.enarocanje.si/Obrazci/?id_obrazec=407011. • Brezovica – Preserje and Preserje – Borovnica (contract no. 2431-21-300210); awarded on 10 August 2022 and published on the public procurement portal on 17 August 2022. https://www.enarocanje.si/Obrazci/?id_obrazec=454523.		
Analysis		

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Awards of contracts to upgrade railway tracks on sections: Kranj – Jesenice Ljubljana – Brezovica and Brezovica – Preserje and Preserje – Borovnica.

The tenders and contracts are published on the Slovenian public procurement webpage for the individual sections (Kranj – Podnart, Podnart – Lesce Bled, Lesce Bled – Jesenice, https://www.enarocanje.si/Obrazci/?id_obrazec=407011) Ljubljana – Brezovica, Brezovica – Preserje and Preserje – Borovnica, https://www.enarocanje.si/Obrazci/?id_obrazec=407011, https://www.enarocanje.si/Obrazci/?id_obrazec=454523). The information on the beneficiaries (contractual entities) is accessible on the public procurement portal for the individual railway sections under the above-mentioned hyperlinks and includes the following beneficiaries: section Ljubljana – Brezovica: Kolektor d.d., SŽ - ŽGP Ljubljana, d.d., GH Holding storitvena družba, d.o.o., Pomgrad d.d. in CGP, družba za gradbeništvo, inženiring, proizvodnjo in vzdrževanje cest, d.d.; section Brezovica – Preserje and Preserje – Borovnica: Kolektor d.d., SŽ - ŽGP Ljubljana, d.d., GH Holding storitvena družba, d.o.o. in CGP, družba za gradbeništvo, inženiring, proizvodnjo in vzdrževanje cest, d.d.; section Kranj – Podnart: Konzorcij CGP d.d. (leading partner), GH Holding d.o.o., RIKO d.o.o., Gorenjska gradbena družba d.d.; section Podnart – Lesce Bled: RIKO, industrijski, gradbeni inženiring in leasing d.o.o.; section Lesce Bled–Žirovnica, Žirovnica–Sl. Javornik, Sl. Javornik–Jesenice: Konzorcij SŽ - ŽGP Ljubljana, d.d. (leading partner); CGP, družba za gradbeništvo, inženiring, proizvodnjo in vzdrževanje cest, d.d.; GH Holding storitvena družba, d.o.o.; RIKO, industrijski, gradbeni inženiring in leasing d.o.o...

The tender specification shall ensure compliance with the ‘Do no significant harm’ Technical Guidance.

The fulfilment of the requirement is explained in detail in the provided copies of the Tables confirming compliance with the ‘Do no significant harm’ Technical Guidance for the railway sections Kranj-Jesenice, Ljubljana-Brezovica and Brezovica-Preserje-Borovnica prepared by the Ministry of Infrastructure. In these tables, it is elaborated for all of the six environmental objectives covered by the Taxonomy Regulation where in the technical specifications and tender documentation this information is contained and how the compliance has been ensured.

and with the following requirements: Increasing rail fluidity by removing bottlenecks on line No 50 Ljubljana – Sežana – d.m. and line No 20 Ljubljana – Jesenice – d.m.;

As specified in the tender documentation and the technical specifications for the upgraded railway sections, the projects are required to ensure the elimination of bottlenecks, increases in track capacity, increase in a maximum speed, reduction of driving times, reduction of delays, elimination of slow driving and more flexible flow of traffic during traffic jams and rush hours. This is specified in the project documentation of the implementing plan published on the public procurement portal (Tender specifications - 0. Main file) for each sections separately:

- Ljubljana – Brezovica (0.9 Summary technical report, Section 1, pages 1-2);
- Brezovica – Preserje (0.9 Summary technical report, Section 1, page 1);
- Preserje – Borovnica (0.13.1 Project assignment, Section 1.6, page 8);
- Kranj–Podnart (0.9 Summary technical report, Section 1, page 1 and Section 16, page 19; 0.14 Project assignment, section 1.7, page 8);
- Podnart–Lesce Bled (0.9 Summary technical report, Section 5, page 61; 0.13.1 Project assignment, Section 1.7, page 8);
- Lesce Bled–Žirovnica (0.9 Summary technical report, Section 5, page 37; 0.13.1 Project assignment, Section 1.7, page 8);
- Žirovnica–Slovenski Javornik (0.9 Summary technical report, Section 9, page 23; 0.14 Project assignment, Section 1.7, page 8);

- Slovenski Javornik–Jesenice (0.9 Summary technical report, Section 9, page 59; 0.14 Project assignment, Section 1.7, page 8).

As regards **upgrading of lines and stations in accordance with the technical specifications for interoperability**: As specified in the project documentation within tender documentation, the upgraded railway sections shall ensure interoperability. The documentation contains also statements of verification, which show that the requirements of the technical specifications for interoperability have been met. This is specified in the project documentation of the implementing plan published on the public procurement portal (Tender specifications - 0. Main file) for each sections separately:

- Ljubljana – Brezovica (0.9 Summary technical report, Section 1, pages 1-2; 0.11.3 Statement of verification);
- Brezovica – Preserje (0.9 Summary technical report, Section 1, page 1; 0.11.3 Statement of verification);
- Preserje – Borovnica (0.9 Summary technical report, Section 5, page 39; 0.11.3 Statement of verification; 0.13.1 Project assignment, Section 1.6, page 8);
- Kranj–Podnart (0.9 Summary technical report, Section 1, page 1; 0.11.3 Statement of verification; 0.14 Project assignment, section 1.7, page 8);
- Podnart–Lesce Bled (0.9 Summary technical report, Section 5, page 61; 0.13.1 Project assignment, Section 1.7, page 8);
- Lesce Bled–Žirovnica (0.9 Summary technical report, Section 5, page 37; 0.13.1 Project assignment, Section 1.7, page 8; 0.13.3 Opinions, agreements, including the Statement of verification);
- Žirovnica–Slovenski Javornik (0.9 Summary technical report, Section 9, page 23; 0.11.3 Statement of verification; 0.14 Project assignment, Section 1.7, page 8);
- Slovenski Javornik–Jesenice (0.9 Summary technical report, Section 9, page 59; 0.11.3 Statement of verification; 0.14 Project assignment, Section 1.7, page 8).

As regards **guidance of a load capacity of the corresponding category D4 of 22,5 t/axle 8 t/m**: As specified in the project documentation within tender documentation all concerned railway sections will be upgraded to the railway track category D4 of 22,5 t/axle 8 t/m. This is specified in the project documentation of the implementing plan published on the public procurement portal (Tender specifications - 0. Main file) for each sections separately:

- Ljubljana – Brezovica (0.9 Summary technical report, Section 1, pages 1-2 and 8; 0.14 Project assignment, Section 1.6);
- Brezovica – Preserje (0.9 Summary technical report, Section 1, pages 1 and 6; 0.14 Project assignment, Section 1.6);
- Preserje – Borovnica (0.9 Summary technical report, Section 3, page 6 and Section 5 page 39; 0.14 Project assignment, Section 1.6, page 8);
- Kranj–Podnart (0.9 Summary technical report, Section 1, page 1, Section 3.2, page 5 and Section 1.6, page 19; 0.14 Project assignment, section 1.7, page 8);
- Podnart–Lesce Bled (0.9 Summary technical report, Section 1, page 3, Section 3.1.1, page 9 and section 5, page 61; 0.13.1 Project assignment, Section 1.7, page 8);
- Lesce Bled–Žirovnica (0.9 Summary technical report, Section 1, page 2 and Section 3.1.1, page 5; 0.13.1 Project assignment, Section 1.7, page 8);
- Žirovnica–Slovenski Javornik (0.9 Summary technical report, Section 9, page 23, Section 3, page 9 and Section 9, page 23; 0.14 Project assignment, Section 1.7, page 8);
- Slovenski Javornik–Jesenice (0.9 Summary technical report, Section 9, page 59; 0.14 Project assignment, Section 1.7, page 8 and Section 3.1, page 5).

As regards **increasing the speed of trains to new design speeds**: As specified in the project documentation within tender documentation, all the railway sections need to ensure an increase in maximum speed, with

the goal of passenger train speeds of up to 160 km/h and freight trains over 100 km/h. Due to geographical conditions, speed on the section Slovenski Javornik- Jesenice would be 80 km/h or more for ordinary trains and 100 km/h or more for tilting trains. This is specified in the project documentation of the implementing plan published on the public procurement portal (Tender specifications - 0. Main file) for each sections separately:

- Ljubljana – Brezovica (0.9 Summary technical report, Section 1, pages 1-2 and 22; 0.14 Project assignment, Section 1.6);
- Brezovica – Preserje (0.9 Summary technical report, Section 1, page 1; 0.14 Project assignment, Section 1.6);
- Preserje – Borovnica (0.9 Summary technical report, Section 3, page 6 and Section 5 page 39; 0.14 Project assignment, Section 1.6, page 8);
- Kranj–Podnart (0.9 Summary technical report, Section 1, page 1, Section 3.1, page 5 and Section 16, page 19; 0.14 Project assignment, section 1.7, page 8);
- Podnart–Lesce Bled (0.9 Summary technical report, Section 1, page 3, Section 3.1.1, Page 9 and Section 5, page 61; 0.13.1 Project assignment, Section 1.7, page 8);
- Lesce Bled–Žirovnica (0.9 Summary technical report, Section 1, page 2, Section 3.1.1, Page 5 and Section 5, page 37; 0.13.1 Project assignment, Section 1.7, page 8);
- Žirovnica–Slovenski Javornik (.9 Summary technical report, Section 9, page 23, Section 3, page 9 and Section 9, page 23; 0.14 Project assignment, Section 1.7, page 80);
- Slovenski Javornik–Jesenice (0.9 Summary technical report, Section 9, page 34; 0.14 Project assignment, Section 1.7, page 8).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 58	Related Measure: Increasing railway infrastructure capacity		
Name of the Milestone: Award of contracts to upgrade the Grosuplje and Domžale railway stations			
Qualitative Indicator: Communication of awards to upgrade Grosuplje and Domžale stations			Time: Q4 2022
Context: Milestone 58 is part of the investment C. The measure aims to increase railway infrastructure capacity. It shall promote rail transport and connectivity with urban centres. It shall also improve accessibility of railway stations to a wider population, including people with disabilities. The selected projects of upgrading railway stations shall improve the transport service, both for passenger and freight transport. Milestone 58 requires an award of contracts to upgrade the Grosuplje and Domžale railway stations. The award of contracts for upgrading of railway stations will enable the promotion of rail traffic and connectivity with city centres within the framework of sustainable mobility. Milestone 58 is together with milestone 57 (award of contracts for upgrading railway sections) part of the investment C, Increasing railway infrastructure capacity. It will be followed by target 59 related to upgraded railway stations. The investment has a final expected date for implementation on 30 June 2025.			
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled (Ministry of Infrastructure, 20 October 2023); ii. Copy of Tables confirming compliance with the ‘Do no significant harm’ Technical Guidance for the upgrading of the Grosuplje and Domžale railway stations, prepared by the Ministry of Infrastructure (Ministry of Infrastructure, 20 October 2023); iii. Tender documentation, Contract award notifications and links to the website of the public procurement portal, including the project documentation for the individual railway stations: • Train station Domžale (contract no. 2431-22-300107), awarded on 26 May 2022 and published on the public procurement portal on 3 June 2022. https://www.enarocanje.si/Obrazci/?id_obrazec=466101. • Train station Grosuplje (contract no. 2431-20-300125); awarded on 29 September 2022 and published on the public procurement portal on 20 September 2022. https://www.enarocanje.si/Obrazci/?id_obrazec=366967.			
Analysis The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. Awards of contracts to upgrade Grosuplje and Domžale railway stations The tenders and contracts are published at the Slovenian public procurement webpage for both stations (Train station Domžale https://www.enarocanje.si/Obrazci/?id_obrazec=466101 and Train station Domžale https://www.enarocanje.si/Obrazci/?id_obrazec=466101). The contractual entities are accessible on the public procurement portal on the above-mentioned hyperlinks and listed in the summary document (railway station Domžale: contractors Konzorcij SŽ ŽGP, Garnol d.o.o., GH Holding; subcontractors: Alcam d.o.o., IMP d.d., MMSVTK d.o.o., V3 d.o.o.; railway station			

Grosuplje: Konzorcij CGP d.d. (vodilni partner), Pružne građevine d.o.o., GH Holding d.o.o., MM SVTK d.o.o., TECHNOACUSTICA srl).

With regard to the tender specifications shall ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01),

The fulfilment of this requirement is explained in detail in the provided copies of the Tables confirming compliance with the ‘Do no significant harm’ Technical Guidance for the train (https://www.enarocanje.si/Obrazci/?id_obrazec=427840), station Domžale (https://www.enarocanje.si/Obrazci/?id_obrazec=466101) and train station Grosuplje as prepared by the Ministry of Infrastructure. In these tables, it is elaborated for all of the six environmental objectives covered by the Taxonomy Regulation where in the technical specifications and tender documentation this information is contained and how the compliance has been ensured.

With regard to **the tender specifications that shall include improvements of current accessibility for passengers and the track capacity of the lines**, according to the technical specifications within the project documentation of implementing plan (Reconstruction of the railway station Domžale, no. 3719) published on the public procurement portal, under the Tender specifications - 0. Main file, 0.9 Summary technical report, the upgraded train station Domžale will have a platform infrastructure and the new underpass with elevators adapted for functionally impaired and disabled people and cyclists. A parking lot and bus turnaround will be arranged, the train stations will be equally well accessible from both sides of track, and the signal safety, telecommunications, and power systems will be adjusted.

Similarly, as specified in the technical specifications within the project documentation of implementing plan (Reconstruction of the railway station Grosuplje, no. 3719) published on the public procurement portal, under the Tender specifications - 0. Main file, 0.9 Summary technical report, the upgraded train station Grosuplje will have two new platforms with well-arranged canopies, the upgrading of track equipment, the rearrangement of the station building, the construction of an underpass to the platform infrastructure with elements or devices for functionally impaired and disabled people under all station tracks and the access will be possible from both sides of the station. An additional underpass will be constructed for an access of the local population.

Commission Preliminary Assessment: Satisfactorily fulfilled

Reform of the deployment of alternative fuels infrastructure

Number: 63	Related Measure: Reform of the deployment of alternative fuels infrastructure	
Name of the Milestone: Entry into force of an Act on Alternative Fuels in Transport		
Qualitative Indicator: The entry into force of a law establishing a national regulatory framework in the field of alternative transport fuels.		Time: Q2 2022
Context: The measure aims is to increase the use of alternative fuels in domestic and cross-border transport and to reduce the share of greenhouse gas and pollutant emissions from transport. The reform shall designate an entity to coordinate the needs of the transport and energy sectors, which shall ensure and coordinate the deployment of alternative fuels infrastructure and hence make the transition to zero and low emission mobility more resilient. Milestone 63 requires the entry into force of an Act on Alternative Fuels in Transport that shall establish a comprehensive legal framework for the use of alternative fuels in transport. Milestone 63 is the only milestone of this reform. The reform has a final expected date for implementation by 30 June 2022.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled, with appropriate links to the underlying evidence (Ministry of Infrastructure, 20 October 2023). • Copy of the publication of the Act on Infrastructure for Alternative Fuels and Promotion of the Transition to Alternative Fuels in Transport published in the Official Gazette of the Republic of Slovenia No. 62/2023 on 6 June 2023. The National Assembly adopted the Act on 25 May 2023 and the Act entered into force on 21 June 2023. https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2023-01-1911?sop=2023-01-1911.		
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. Entry into force of the Act The Act on Infrastructure for Alternative Fuels and Promotion of the Transition to Alternative Fuels in Transport (<i>hereinafter referred to as the “Act”</i>) was adopted by the National Assembly of the Republic of Slovenia on 25 May 2023, published in the Official Gazette of the Republic of Slovenia No 62/23 on 6 June 2023 and entered into force on 21 June 2023. The validity of the Act is governed by Article 67 of the Act: ‘This Act shall enter into force on the fifteenth day following its publication in the Official Gazette of the Republic of Slovenia.’ The law shall establish a comprehensive legal framework for the use of alternative fuels in transport. As provided in Article 1(1) of the Act, this Act lays down rules for the planning of the national policy framework for the development of alternative fuels infrastructure in transport, targets for the deployment of sufficient alternative transport infrastructure for road vehicles, stationary aircraft		

and vessels, regulates the establishment and operation of the co-operative, public service of providing and operating support infrastructure and connection capacity on high power recharging pools for rapid charging of a total power output of at least 3 MW, obligations of operators of recharging and refuelling points, technical requirements related to the deployment, operation and maintenance of infrastructure for alternative fuels in transport and information requirements for users, the method and procedures for registering alternative fuels infrastructure in transport and record keeping, the sources and means of financing measures to promote the switch to alternative fuels and the deployment and operation of a centre to promote modal shift in transport.

Setting out legally binding rules for all stakeholders in a one-stop shop to facilitate the diversification of primarily personal transport.

The Act regulates essential areas for the three most important types of alternative fuels: electricity, hydrogen and natural gas, as well as three types of transport: road, sea and air. It determines the tasks of the state and the duties and obligations of economic entities involved in the development and operation of the market with alternative fuels and the establishment of infrastructure for alternative fuels which should result in diversification of primarily personal transport (most importantly Articles 21 and 22 but also Articles 4, 8, 9, 12, 30, 31, 33, 48, 52).

The law covers the creation, registration and operation of recharging/supply infrastructure

The Act regulates the planning and the creation of the high-power recharging and refuelling infrastructure (Article 8 and 10), the registration of recharging and refuelling infrastructure and the transmission of dynamic and static data to the National Access Point (NAP) in Articles 31-33. Operators are obliged to ensure the proper functioning of the recharging/refuelling infrastructure (Article 22 – obligations for operators of recharging infrastructure; Article 24 – obligations on airport operators; Article 27 – Obligations of the operator of a refuelling point for natural gas; Article 29 – Obligations of the operator of a hydrogen refuelling point). In addition, Article 30 of the Act lays down technical and safety requirements.

Furthermore, in line with the description of the measure, the reform shall designate an entity to coordinate the needs of transport and energy sectors which shall ensure and coordinate the deployment of alternative fuels infrastructure and hence make the transition to zero and low emission mobility more resilient. The Act covers the deployment of recharging/refuelling infrastructure, as set out in Chapter IX of the Act (mechanisms to encourage modal shift to alternative fuels in transport), which establishes an implementing body – a centre for promoting the switch to alternative fuels for the allocation of funds for alternative fuel vehicles, alternative fuels infrastructure and promotional awareness activities, and in Articles 48-52, where national dedicated funds are provided for the deployment of alternative fuels infrastructure. The Centre for promoting the switch to alternative fuels will act as the responsible body (one-stop shop) for co-financing investment for setting-up appropriate charging and supply infrastructure, for changing the structure of the vehicle fleet and for other support measures specified by the Act. The provided Act provides the evidence for all constitutive elements of the milestone.

Additionally, in line with description of the measure, **the new regulatory framework is expected to trigger a construction of at least 400 new registered recharging and refuelling points for alternative power vehicles in Slovenia in addition to those financed under Slovenian recovery and resilience programme.** In addition to the completion of this milestone, in line with the description of the measure in the Council Implementing Decision the Member State has defined a stable financing source for construction of new recharging and refuelling points for alternative power vehicles in

Slovenia (Article 42 and 43 of this Act). This is a further step of this reform that is not linked to the milestones and targets in the Council Implementing Decision.
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Commission Preliminary Assessment: Satisfactorily fulfilled
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Establishing a framework for sustainable and green transformation

Number: 69	Related Measure: Establishing a framework for sustainable and green transformation	
Name of the Milestone: Entry into force of amendments on extended producer responsibility and recovery of waste		
Qualitative Indicator: Provision in the law indicating the entry into force of amendments to the Decree on the Management of Packaging and Packaging Waste and the Waste Regulation		Time: Q4 2022
Context: The objective of the reform is to accelerate the transition to a circular economy for resource efficiency in Slovenia. This shall be achieved by putting in place the overarching strategic and legal framework, integrating the principles of the green transformation into budgetary and fiscal policies, and establishing a one-stop shop to support businesses in the transition towards a circular economy. This measure shall also introduce the methodology of green budgeting in Slovenia. This reform consists of three consecutive milestones. Milestone 69 requires the entry into force regarding the amendments to i) the Decree on the Management of Packaging and Packaging Waste, and ii) the Waste Regulation in Slovenia. The amendments shall i) increase the organisational and financial responsibility of manufacturers, and ii) promote the integration of recycled materials into new products. Milestone 69 is the first milestone of the underlying reform. It is related to and will be followed by milestone 70 and milestone 71 regarding the framework for sustainable and green transformation in Slovenia. The last milestone has a final expected date for implementation by 31 December 2023.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. A summary document duly justifying how the requirements of the milestone (including all its constitutive elements) have been satisfactorily fulfilled with links to the underlying evidence; ii. a copy of the act amending the Decree on the Management of Packaging and Packaging Waste as published in the Official Gazette of the Republic of Slovenia (No 54/2021 from 9 April 2021) entered into force on 24 April 2021; iii. a copy of the act amending the Waste Regulation as published in the Official Gazette of the Republic of Slovenia (No 77/2022 from 31 May 2022) entered into force on 15 June 2022.		
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. The amendments to the Decree on the Management of Packaging and Packaging Waste and the Waste Regulation shall increase organisational and financial responsibility of manufacturers. Slovenia submitted a copy of the act amending the Decree on the Management of Packaging and Packaging Waste as published in the Official Gazette of the Republic of Slovenia on 9 April 2021. Article 70 indicates the entry into force of the amended act on 24 April 2021. Article 3 point 42 in combination with point 36 specify the manufacturers’ responsibility regarding the organisational and financial management of packaging waste. Moreover, Article 8 sets out the strengthened		

requirements regarding the organisational responsibility of manufacturers of packaging or the acquirers of packaging, by ensuring that the manufactured or imported packaging meet all the essential requirements for the manufacture and composition of the packaging, making them suitable for reuse and recycling. Article 16 introduces the reporting obligation for manufacturers regarding packaging placed on the Slovenian market and enhances the transparency towards end-users. Article 29 specifies the obligations regarding financial responsibility of manufacturers. Notably, the manufacturers shall promote the recycling and reuse of all packaging waste produced in Slovenia and ensure its financing. In this regards, producers ensure the acceptance of waste packaging from public service providers, the acceptance of waste packaging directly from distributors and end users, and the processing and disposal of accepted waste packaging, so that the environmental goals of processing and recycling waste packaging of this Decree are achieved.

In addition, Slovenia submitted a copy of the act amending the Decree on the Waste Regulation as published in the Official Gazette of the Republic of Slovenia on 31 May 2022. Article 82 indicates the entry into force of the amended act on 15 June 2022. Articles 27, 28, 29, 35, 36 and 37 outline the increased reporting and data collection responsibilities of waste producers, such as manufacturers, and specify the waste producers' obligation to establish a waste management plan and a waste collection plan. Article 27 stipulates that the waste generator prepares a waste management plan, in accordance with which he implements measures to prevent and reduce the generation of waste and other measures in accordance with this regulation. Article 28 obliges the producer to keep records on the generation of waste and its management. Article 29 sets out reporting on the generated waste and the provision of its management. Article 35 obliges the collector of the waste to have a plan for collection of waste. Article 36 stipulates that the collector needs to keep records on the collection of waste. Article 37 obliges the collector of the waste to submit the reporting on waste collection yearly by 31 March. This shall enhance the organisational and financial responsibility of manufacturers in Slovenia.

And promoting the integration of recycled materials into new products.

The act amending the Decree on the Management of Packaging and Packaging Waste specifies in Articles 4, 5 and 6 the requirements regarding the promotion of recycled materials and enabling their reuse in Slovenia. Notably, the legal changes shall increase the quality of recycled materials to promote their reuse and recycling as well as upgrade and change the separate collection of waste packaging and integration into new products. The enhanced processes regarding reuse and recycling of packaging and waste as well as their reintegration will allow to keep the relevant materials in circulation for a longer period of time and enhance the circular economy. By strengthening the system of a circular economy, this will allow for the recycled materials to be reintegrated into new products as well as enforce their reintegration into the supply chain and into new products subsequently. The provisions of Article 4 paragraph 5 provide legal basis for The Ministry of Environment, Climate and Energy, in cooperation with other ministries, to campaign to inform and raise awareness among consumers about the correct handling of waste packaging and the options available for free disposal or distribution of waste packaging separately from other waste, about the purpose and goals of separate collection waste packaging in connection with ensuring its recycling and other processing procedures. This shall enhance information and awareness-raising campaigns towards the public as well as promote packaging reuse schemes to increase the proportion of reused packaging.

Moreover, the act amending the Decree on the Waste Regulation in Articles 7, 8, 15 and 22 sets out the framework regarding the criteria on the reuse, recycling or other circular economy methods in Slovenia. Articles 7 and 8 specify the procedure for establishing end-of-waste criteria in cases where the criteria are not laid down by a specific regulation issued on the basis of the law governing environmental protection or on the basis of an implementing regulation of the European Union. Article 15 determines that networks for the preparation of waste for reuse and repairs must be

established. Article 22 sets out the obligation that waste must be prepared for reuse, recycled or otherwise processed; prohibition of incineration for waste that has been separately collected for preparation for reuse and recycling; establishment of sorting systems for construction waste and waste from the removal of buildings in order to facilitate the preparation of waste for reuse and high-quality recycling .

The evidence provided shows that the relevant amendments entered into force.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 71	Related Measure: A: Establishing a framework for sustainable and green transformation	
Name of the Milestone: One-stop shop for the circular economy is operational		
Qualitative Indicator: The one-stop shop for the circular economy is operational		Time: Q2 2022
Context:		
The objective of this reform is to accelerate the transition to a circular economy for resource efficiency in Slovenia. This consists of putting in place the overarching strategic and legal framework, integrating the principles of the green transformation into budgetary and fiscal policies, and establishing a one-stop shop to support businesses in the transition towards a circular economy. This measure will also introduce the methodology of green budgeting in Slovenia. Milestone 71 requires that the one-stop shop in Slovenia becomes operational and is accessible to provide support to businesses regarding the transition to a circular economy. Moreover, the one-stop shop aims to integrate and coordinate systematically the implementation of the six programmes of the Integrated Strategic Project of decarbonisation in Slovenia through the transition to a circular economy. Milestone 71 is the third milestone of the underlying reform. It is related to and is followed by milestone 69 and milestone 70 regarding the framework for sustainable and green transformation in Slovenia. The reform has a final expected date for implementation in December 2023.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. A summary document duly justifying how the requirements of the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the Council Implementing Decision annex) have been satisfactorily fulfilled; ii. Report on the establishment and operation of the one-stop shop for the circular economy, by the Ministry of Economic Development and Technology and the Public Agency of the Republic of Slovenia for the Promotion of Enterprise, Internationalisation (SPIRIT Agency), demonstrating that the one-stop shop for the circular economy project has been completed and is operational, from 3 August 2023. The report includes a link to the platform where businesses can access the one-stop shop: https://www.podjetniski-portal.si/programi/enotna-tocka-za-krozno-gospodarstvo. The authorities also provided: iii. Appendices to the Report by the competent authorities : a. Workshop report on Co- creation of the Slovenian Centre tor the transition to a circular economy, by the European Institute of Innovation of Technology (EIT) Climate Knowledge and Innovation Community (KIC), from 16 March 2022; b. Document of substantive bases and starting points for undertaking strategic, sustainable and circular transformation processes, by the SPIRIT Agency, from May 2022; c. Report from the kick-off workshop, by the SPIRIT Agency, 1 March 2023;		

- d. Contract for public tender between SPIRIT Agency and Centre for Business Excellence, Faculty of Economics, University of Ljubljana, signed on 19 January 2023, document number: 430-5/2022/50;
- e. Action plan for work with first-time companies, by the Centre for Business Excellence, Faculty of Economics, University of Ljubljana, from 13 March 2023;
- f. Action plan for working with companies already included in the programme through a public tender" Fostering sustainable business strategic transformation and developing new business models in Slovenian companies to facilitate their integration into global value chains (2019-2022), by the Centre for Business Excellence, Faculty of Economics, University of Ljubljana, from 13 March 2023;
- g. Final action plan for the experts training, by the Centre for Business Excellence, Faculty of Economics, University of Ljubljana, from 7 February 2023;
- h. Signature attendance list for expert training, by the SPIRIT Agency, from 21, 22, 23, 24 and 25 February 2023;
- i. Questions and Answers as regards the tender on Supporting start-ups, micro, small and medium-sized enterprises in strategically sustainable and circular business transformation, by the SPIRIT Agency, from 17 and 25 August 2022, 7, 9, 14, 27 September 2022, 4, 11 October 2022, 11 November 2022, 11 and 31 January 2022, and 21 February 2023;
- j. Flyer example on public call on individual expert assistance to companies in up to 5 months of strategic sustainable and circular business transformation (phase A) and provide financial support for company implementation projects to build a circular economy in product and service production processes (phase B), by the SPIRIT Agency, from 2022;
- k. The concept of a promotional campaign 2023-2026, by the SPIRIT Agency, from January 2023;
- l. Concept on the draft proposals for technical improvements on the appearance of the PSC website, by the SPIRIT Agency, from 2023;
- m. Example of certificate of participation in workshops, by the Ministry of Economy, Tourism and Sport, from 29 June 2023, document number: 303-3/2023/156.

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

One-stop shop for the circular economy is operational. The one-stop-shop shall support businesses, in particular small and medium-sized enterprises (SMEs) in their transition to a circular economy. It shall systematically integrate and coordinate the implementation of the six programmes of the Integrated Strategic Project of decarbonisation of Slovenia through the transition to a circular economy.

SPIRIT Agency is the public agency in Slovenia that became the one-stop shop for implementing the targeted activities related to circular economy. *SPIRIT* agency was created in May 2022 by signing the relevant agreement with the Slovenian Ministry of Economy, Sport and Tourism: the agency is responsible to provide support to businesses, including small and medium-sized enterprises, and relevant stakeholders regarding the relevant six programme areas of the Integrated Strategic Project that will support the decarbonisation in Slovenia through the transition to a circular economy. (see Report on the establishment and operation of the one-stop shop for the circular economy; Document of substantive bases and starting points for undertaking strategic, sustainable and circular transformation processes from May 2022; Report from the kick-off workshop from March 2023 and the website <https://www.podjetniski-portal.si/programi/enotna-tocka-za-krozno-gospodarstvo>).

SPIRIT Agency supports businesses, including small and medium-sized enterprises, and relevant stakeholders through the following six programme areas:

- Circular discovery - the program supports the creation of start-up companies in the field of low-carbon circular economy.
- Circular innovations in SMEs - program activities contribute to the strengthening of qualified mentors/experts in a supportive environment, who will help companies with expert knowledge with tailored advice and support.
- Value chain: all industries - the content is focusing on determining material flows and assessing the sustainability of current operations, prototyping the by-product market, innovative support for new business models.
- Value chain: forest-wood - the program aims to identify and remove obstacles for increasing added value in the wood processing industry.
- Value chain: manufacturing - the program focuses on risk assessment for low-carbon investments, traceability in supply chains.
- Circular synergies - the program is aimed at strengthening the capacities of regions and local communities for a transformative transition. (see the website <https://www.podjetniski-portal.si/programi/enotna-tocka-za-krozno-gospodarstvo>).

The one-stop shop became operational on 1 December 2022 and the hiring of the necessary staff, six full-time employees, was completed by this date. The Report on the establishment and operation of the one-stop shop for the circular economy includes the names of the staff and hiring date for this purpose (see page 5 of the Report on the establishment and operation of the one-stop shop for the circular economy). It also explains that the staff is regularly trained to gain expertise in the relevant area. On March 1 2023, SPIRIT organised the kick-off workshop with businesses and other stakeholders presenting the first activities carried out by the one-stop shop (see Report from the kick-off workshop, by the SPIRIT Agency, 1 March 2023, page 1).

The Report on the establishment and operation of the one-stop shop for the circular economy submitted by Slovenia includes a link to the website that is accessible to businesses. It links to the website of the one-stop shop operated by the abovementioned SPIRIT agency. The activities provided by the one-stop shop operated by SPIRIT agency are linked to the six programme areas of the Integrated Strategic Project that will support the decarbonisation in Slovenia through the transition to a circular economy. Businesses are supported through the STKTP program (which stands for “Strateška Trajnostna in Krožna Transformacija Poslovanja” or translated into English: “Strategic sustainability and circular transformation of businesses”), one-stop-shop on the platform, organisation of events and workshops and different promotional activities. The one-stop shop on the platform specifically provides information to businesses and stakeholders by publishing professional articles and manuals, practical experience and advice, providing current support for startups and SMEs in the strategic sustainable and circular transformation of business, creating a community of sustainable and circular oriented companies, establishing database and descriptions of all companies, listing the achieved results of involved stakeholders (companies and regions), providing general contacts and links to other media (FB, LinkedIn, YouTube, etc.) and finally being the contact point, where companies can ask questions and get answers about transition to circular economy (see: <https://www.podjetniski-portal.si/programi/enotna-tocka-za-krozno-gospodarstvo>).

Commission Preliminary Assessment: Satisfactorily fulfilled

Digital transformation of the economy (business and industry)

Number: 78	Related Measure: Digital transformation of the economy (business and industry)	
Name of the Milestone: Guidelines for innovative public procurement		
Qualitative Indicator: Guidelines for innovative public procurement adopted by the Government of the Republic of Slovenia		Time: Q2 2022
Context: The objective of reform A is to ensure the digital transformation of the economy, supported through the entry into force of a Strategy for the Digital Transformation of Enterprises, guidelines for innovative procurement, and the operationalisation of a single digital identity (e-identity) for companies. Milestone 78 concerns the adoption of the guidelines for innovative public procurement. Milestone 78 is the second of a series of three milestones to be completed under the reform for the digital transformation of the economy. Milestone 77 related to referring to the Strategy for the Digital Transformation of Enterprises had already been finalised under the first payment request, whilst target 79 related to the operationalisation of a single digital identity (e-identity) for companies, follows by 31 December 2024. The reform has a final expected date for implementation in 31 December 2024.		
Evidence provided: In line with the verification mechanism in the Operational Arrangements, the following evidence was provided: 1. Summary document duly justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence. 2. Copy and link of the guidelines published on the website of the Government of the Republic of Slovenia following interdepartmental coordination (Ministry for Economic Development and Technology, as amended on 4 September 2023). The authorities also provided: iii. Decision of the Government of Slovenia No. 43000-3/2022/3 of 1 December 2022 adopting the Guidelines on Innovative Public Procurement (Ministry for Economic Development and Technology, issued on 1 December 2022). iv. Decision of the Government of Slovenia No. 43000-3/2022/9 of 4 September 2023 adopting the Guidelines on Innovative Public Procurement (Ministry for Economic Development and Technology, issued on 4 September 2023).		
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. The Guidelines for innovative procurement shall define the selection procedures and criteria for the participation of applicants in innovative public procurement procedures.		

The Government of the Republic of Slovenia adopted the amended version of Guidelines on 4 September 2023, according to the Decision of the Government of Slovenia no. 43000-3/2022/9 of 4 September 2023 adopting the Guidelines on Innovative Public Procurement. Annex 4 of the Guidelines adopted by the Government of the Republic of Slovenia through the Decision of the Government of Slovenia no. 43000-3/2022/9 of 4 September sets the criteria and selection procedures in the context of innovative public procurement procedures. The Annex includes three parts: i) the legal basis, listing the existing Slovenian and EU legal basis for the criteria and selection procedures for innovative solutions in the context of public procurement; ii) examples of criteria for the following areas: innovativeness of the project solution, conceptual design, implementation of the contract, human resources and iii) possible selection procedures for the procurement of innovative solutions: factors that may influence the choice of selection procedure and indication of the possible uses of selection procedures for the public procurement of innovative solutions.

Annex 5 of the Guidelines adopted by the Government of the Republic of Slovenia through the Decision of the Government of Slovenia no. 43000-3/2022/9 of 4 September details the schemes of selection procedures in the context of innovation procurement

Moreover, the above-referenced Guidelines include: a chapter on legal context (Chapter 2), an overview of the different approaches to innovative public procurement (Chapter 3), an outline of the policy framework for innovative public procurement (Chapter 4). The Guidelines describe ways of implementing innovation procurement on the demand (Chapter 5) and supply side (Chapter 6). They also feature practical guidance for contracting authorities on how to use innovative public procurement policy by outlining key steps (Chapter 7), defining intellectual property rights (Annex 1), linking potential areas of uses in the RRP (Annex 2), providing examples of approaches (Annex 3).

Commission Preliminary Assessment: Satisfactorily fulfilled

Industrial/business digital transformation programme

Number: 80	Related Measure: Industrial/business digital transformation programme		
Name of the Milestone: Award of contracts for projects for the digital transformation of enterprises			
Qualitative Indicator: Communication of awards			Time: Q2 2022
Context: The objective of investment B is to increase productivity and growth through the optimisation of processes and the implementation of advanced digital technologies, to develop the digital skills of employees, and to stimulate competitiveness and innovation by facilitating the entry of new participants in the market. Milestone 80 consists of the award of contracts for projects for the digital transformation of enterprises. Milestone 80 is the first of three milestones and targets of this investment, and it is accompanied by target 81 in this payment request related to consortia of companies with produced digital strategy and is followed by target 82 related to consortia supported with completed comprehensive digital transformation due on 30 June 2024. The investment has a final expected date for implementation in 30 June 2024.			
Evidence provided: In line with the verification mechanism in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence ii. Copy and link to contracts award notification (https://www.gov.si/assets/ministrstva/MGRT/Dokumenti/DIPT/Razpisi/JR-DIGIT-NOO/Seznam-odobrenih-projektov-JR-digitalizacija-v2.pdf) iii. Extract of the relevant parts of the technical specifications of the project proving alignment with the description of the milestone and of the description of the investment in the Council Implementing Decision (through Application form no 1 and the list of the approved projects including data on projects' titles and abstracts, project partners' names, IDs and sizes, contracts numbers presented in Excel format prepared by the Ministry of Economy, Tourism and Sport). The authorities also provided: iv. Copy of the publication of the call for proposals in the Official Gazette of the Republic of Slovenia No. 38 of 18 March 2022. v. Copy of the publication of the amendment of the call for proposals in the Official Gazette of the Republic of Slovenia No. 47 of 1 April 2022. vi. Copy of the complete documentation of the call for proposals. vii. Application form No. 2 "Presentation of the digital transformation project". viii. A mapping of the selected consortia contribution to e-identity and digital competences development, prepared by the Ministry of Economy, Tourism and Sport.			
Analysis:			

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Applicants shall be consortia or other forms of integration of companies comprising at least one large company and multiple small and medium-sized enterprises. Furthermore, in line with the description of the measure, the beneficiaries shall be consortia comprising large companies and SMEs.

In the call for proposals published in the Official Gazette of the Republic of Slovenia on 18 March 2022 and amended through the Official Gazette of the Republic of Slovenia on 1 April 2022, under the section "Target groups/final recipients" is specified that the target group is formed by consortia of companies applying for funding under this call for proposals for digital transformation project.

The conditions to be met by the consortia were envisaged under point 5.1 of the call for proposals' specifications. Under this point it is indicated that a consortium applying for the call for proposals must meet the condition of consisting of a minimum of three (3) and a maximum of ten (10) participating consortium partners, of which the lead partner must be a large undertaking as defined in Annex I of the General Block Exemption Regulation (GBER). In addition, at least two consortium partners by size must comply with the definition of SME as defined in Annex I of the GBER.

The 23 selected proposals are consortia formed by at least one large company and multiple small and medium-sized enterprises (a total of 42 large companies and 84 SMEs) according to list of the approved projects including data on projects' titles and abstracts, project partners' names, IDs and sizes, contracts numbers presented in Excel format prepared by the Ministry of Economy, Tourism and Sport.

The selection criteria shall include, inter alia, strengthening employees' digital competences, and introduction of e-identity and digital business card.

According to the call for proposals, selection sub-criterion 1.1. Contribution of the digital transformation project to the objectives stemming from the Strategy for the Digital Transformation of the Economy included in Chapter II. Explanations of the invitation to tender, Section 5 – "More detailed presentation of the evaluation criteria and the evaluation process of the call for proposals" assessed the project's contribution to the objectives of the Digital Transformation of the Economy Strategy to be pursued with regard to the implementation of advanced digital technologies for digital transformation at the level of policies and structural measures for the economy, including solutions for building a digital business identity (e-identity, digital card). This sub-criterion makes a clear reference to demanding companies in considering establishing solutions also including e-identity and digital card, as per the milestone's description. In addition, the application form includes: i) under the first point a request to indicate plans to put in place solutions for the implementation of the digital identity of the company (e-identity, digital card) and ii) under the fourth point a request for the consortia to describe how the digital transformation project will involve the development and building of knowledge and digital competences of employees in relation to the uptake of advanced digital technologies and their introduction into business processes.

According to the call for proposals, selection sub-criterion 1.6 Driving knowledge and digital competences included in Chapter II. Explanations of the invitation to tender, Section 5 – "More detailed presentation of the evaluation criteria and the evaluation process of the call for proposals", assessed to what extent the submitted projects used methods and techniques for developing and building knowledge and digital competences (such as the digital twins for knowledge transfer and strengthening digital competences, AR (augmented reality) and VR (virtual reality) methods, other possible techniques for rapid development, transfer and building of skills and digital competences).

Furthermore, according to the call for proposals, under section 3.2. Object of invitation to tender, point 3.2.1 Basic requirements is requested that the projects submitted by consortia aim at strengthening the digital competences of employees related to the uptake of advanced digital technologies and their introduction into business processes. In addition, under point 3.2.3. Implementation phases of the digital transformation project of the call for proposals specifications, phase 1 requests that the digital strategies proposed must include technologies envisaged and their combination, raising knowledge and digital competences, under phase 2 is expected that the industrial research and experimental development activities carried out under this phase, may also have an impact on the digital competences of employees, while phase 3 includes strengthening the digital competences of employees to use new tools and technologies for a comprehensive digital transformation.

Furthermore, in line with the description of the measure, the call for proposals aims at identifying specific projects for extending the use of advanced technologies to increase efficiency, productivity and competitiveness, and accelerate the uptake of digital innovation and the transfer of digital competences. Under section 3.1. related to the purpose of the call for proposals, it is mentioned that the main aim is to boost productivity and growth through the optimisation of processes and the implementation of advanced digital technologies and complementary investments in tangible and intangible assets and in skills. Effects over productivity, operating costs, increased competitiveness and creation of innovative solutions are also mentioned. In addition, under section 3.2. Object of invitation to tender, point 3.2.1 Basic requirements it is requested that the consortia envisage technological reinforcement for digital transformation through the use of advanced technologies that simultaneously contribute to the reduction of greenhouse gas emissions and address climate change accordingly. Moreover, under point 3.2.2. is presented a list of advanced technologies to be considered and under 3.2.3 the call requests under the phase 1 of the implementation that consortia develop a digital strategy and identify the advanced technologies for the comprehensive digital transformation of the company or the digital transformation of individual business functions.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 81		Related Measure: Industrial/business digital transformation programme	
Name of the Target: Consortia of companies with produced digital strategy			
Quantitative Indicator: Number	Baseline: 0	Target: 20	Time: Q2 2022
Context: The objective of investment B is to increase productivity and growth through the optimisation of processes and the implementation of advanced digital technologies, to develop the digital skills of employees, and to stimulate competitiveness and innovation by facilitating the entry of new participants in the market. Target 81 envisages that consortia awarded contracts under the preceding milestone 80 shall develop tailored digital strategies for transformation of business, technology, organisation, and culture. These shall include, inter alia, a digital readiness assessment, identification of relevant areas for digitalisation, relevant data and sources, integration of data, and learning needs. Target 81 is accompanied in this payment request by milestone 80 related to the award of contracts for projects for the digital transformation of enterprises and is followed by target 82 related to implementation of the digital transformation strategy by the supported consortia to achieve the objectives in the call for, due on 30 June 2024. The investment has a final expected date for implementation in 30 June 2024. Evidence provided: In line with the verification mechanism in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the target was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. Report duly justifying the completion of the target on number of consortia with produced digital strategy published (with the list of supported SMEs, with information on their size). The authorities also provided: iii. Copy of the publication of the call for proposals in the Official Gazette of the Republic of Slovenia No. 38 of 18 March 2022. iv. Copy of the publication of the amendment of the call for proposals in the Official Gazette of the Republic of Slovenia No. 47 of 1 April 2022. v. List of the approved projects including data on: projects’ titles and abstracts, project partners’ names, IDs and sizes, contracts numbers, start-ups presented in Excel format prepared by the Ministry of Economy, Tourism and Sport. vi. Copies of 23 Digital readiness assessments. vii. Copies of 23 Digital strategies. viii. List of the elements of digital strategies required by the Council Implementing Decision annex Analysis: The justification and substantiating evidence provided by the Slovenia authorities covers all constitutive elements of the target. 20 consortia awarded contracts under milestone 80 shall develop tailored digital strategies for transformation of business, technology, organisation, and culture. These shall include, inter alia, a			

digital readiness assessment, identification of relevant areas for digitalisation, relevant data and sources, integration of data, and learning needs.

Following the call for proposals published in the Official Gazette of the Republic of Slovenia No. 38 on 18 March 2022 and amended in the Official Gazette of the Republic of Slovenia No. 47 on 1 April 2022, 23 consortia formed by at least one large company and multiple SMEs have been awarded contracts. These 23 consortia have subsequently proceeded in preparing their digital strategies.

As per the target's quantitative indicator, at least 20 consortia to which contracts have been awarded under milestone 80 (which is also under assessment of the current payment request) are to develop their digital strategies. Slovenia exceeded the indicator and selected 23 consortia, providing more chances for companies to benefit from this investment.

The 23 selected entities under the milestone 80 are consortia formed by at least one large company and multiple small and medium-sized enterprises (a total of 42 large companies and 84 SMEs). In the specifications of the call for proposals issued under milestone 80, section 3.2.3. Implementation phases of the digital transformation project indicates the first phase of the implementation of the call: the development of a digital strategy together with the identification of advanced technologies for the comprehensive digital transformation of the company or the digital transformation of individual business functions.

According both to the content of the 23 strategies and to the selection criteria of the call under milestone 80, the selected companies have first analysed their level of digital maturity. The result of the assessment are the digital readiness reports submitted as evidence. These reports are the basis for preparing the tailored digital strategies of the consortia, specific for their needs and their areas of activity.

As provided in the 23 strategies submitted as evidence, and also based on the document "Elements of digital strategies required by the Council Implementing Decision annex" and the content of the requirements of the call for proposals analysed under milestone 80, the digital strategies developed by the consortia will have a significant impact over the businesses involved in the consortia, the technology levels of every consortia, as well as the organisation and the culture of the companies involved, depending on the digital readiness assessments, leading to their transformation.

According to the content of all 23 strategies and the report provided by the Slovenian authorities as requested by the verification mechanism, the digital strategies were submitted to the Ministry of Economic Development and Technology by 15 December 2022, while the digital readiness assessments by 28 April 2022, as part of project proposals. As presented in the mapping provided by Slovenia through the document "Elements of digital strategies required by the Council Implementing Decision annex", all 23 digital strategies for the approved projects include all the elements as required by the call for proposals and are thereby also aligned with Council Implementing Decision annex requirements:

- digital readiness assessment – included as part of project proposal;
- identification of relevant areas for digitalisation – included in digital strategies for example as planned technologies and their convergence;
- relevant data and sources – included in digital strategies for example as data on implementation plan/steps, financial resources, and timeline for implementation;
- integration of data - included in digital strategies for example as planned technologies and their convergence;
- learning needs - included in digital strategies for example as planned increase of knowledge and digital competences.

Commission Preliminary Assessment: Satisfactorily fulfilled

Creating an environment for the use of e-services by public administration

Number: 91	Related Measure: Creating an environment for the use of e-services by public administration		
Name of the Milestone: Secure national e-identity documents			
Qualitative Indicator: Start of issuing of new national e-identity cards			Time: Q2 2022
Context: The objective of reform B is to provide the adequate legal basis for e-services provided by the public administration, in particular the introduction of e-ID services. Milestone 91 requires the start of issuing of new national e-identity cards. Moreover, milestone 91 requires that the e-identity cards are to be used nationally and cross-border in ecommerce, enable the citizen to identify and authenticate electronically in order to access electronic services and to sign electronically. In addition, milestone 91 requires that the legal basis for issuing e-identity is the Electronic Identity and Trust Services Act and the amended Identity Card Act (Act amending the Identity Card Act) and the notification of the system under eIDAS. Milestone 91 is the only milestone of this reform. The reform has a final expected date for implementation on 30 June 2022.			
Evidence provided: In line with the verification mechanism in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. Copy and link of the call for citizens to change to e-ID cards published on the SI-TRUST portal of the Ministry of Public Administration published on 28 March 2022 (https://www.si-trust.gov.si/sl/obvestila-in-novice/nova-osebna-izkaznica-je-tudi-elektronska-osebna-izkaznica/); iii. Report of 10 June 2022 issued by the Information Society Inspectorate, certifying the compliance with the Electronic Identification and Trust Services Act; iv. Documentation related to the notification under eIDAS (Ministry of Public Administration, 17 May 2023): a. Cover Letter b. Whitepaper c. Notification Form d. Levels of Assurance Mapping e. Interoperability Framework Mapping f. Terms and Abbreviation g. Documents References h. supporting documents. The authorities also provided: v. Copy and link to the amendment of the Identity Card Act, published in the Official Gazette of the Republic of Slovenia No. 41 on 19 March 2021 (http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO5758).			

vi.	Copy and link to the adopted Electronic Identification and Trust Services Act published in the Official Gazette of the Republic of Slovenia No. 121 on 23 July 2021 (http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO7550).
vii.	Copy and link to the adopted Decree on the determination of means of electronic identification and the use of a central service for online registration and electronic signature published in the Official Gazette of the Republic of Slovenia No. 29 on 4 March 2022 (http://www.pisrs.si/Pis.web/pregledPredpisa?id=URED8428).
viii.	Copy and link of the adopted Decision of the Minister of Public Administration on usage of identity cards also for the purpose of electronic identification published in the Official Gazette of the Republic of Slovenia No. 43 on 25 March 2022 (http://www.pisrs.si/Pis.web/pregledPredpisa?id=SKLE12764).
ix.	Link to the detailed information on electronic ID cards published on the SI-TRUST portal of the Ministry of Public Administration: https://www.si-trust.gov.si/sl/eoi/
x.	Link to the announcement published on 28 March 2022 by the Ministry of Public Administration and the Ministry of Internal Affairs on the government portal where detailed information on ID cards is available: https://www.gov.si/novice/2022-03-28-po-skoraj-24-letih-smo-dobili-nove-osebne-izkaznice/ .
xi.	Link to the software needed for e-ID card activation (eOIActivator) and instructions for its installation and usage: https://www.si-trust.gov.si/sl/eoi/aktivacija-elektronske-osebne-izkaznice-oz-nastavitev-kode-pin/ ,
xii.	Link to the software needed for e-ID card usage (IDProtect Client) and instructions for its installation and usage: https://www.si-trust.gov.si/sl/eoi/programska-oprema-idprotect-client/ ,
xiii.	Link to the mobile application eOsebna that supports e-ID card activation and its usage by using a mobile device: https://www.si-trust.gov.si/sl/eoi/mobilna-aplikacija-eosebna/ ,
xiv.	Link to the Frequently Asked Questions on the SI-TRUST portal of the Ministry of Public Administration providing answers to citizens to basic questions regarding the usage of eID cards: https://www.si-trust.gov.si/sl/podpora-uporabnikom/pogosta-vprasanja/elektronska-osebna-izkaznica/ .
xv.	Copy of the letter sent by the Ministry of Interior on 19 April 2022 to all administrative units, all ministries, all municipalities, the General Police Directorate, the Notaries Chamber, the Association of Slovenian Banks, Insurance Slovensko, the Association of the Bar, Slovenian Chamber of Commerce and Industry and it was asking for a wide dissemination of the information related to the new identity cards which started to be issued as of 28 March 2022.
xvi.	Link to the Overview of pre-notified and notified eID schemes under eIDAS: https://ec.europa.eu/digital-building-blocks/wikis/display/EIDCOMMUNITY/Overview+of+pre-notified+and+notified+eID+schemes+under+eIDAS
xvii.	Link to the updated list of Member States that support e-ID card: https://www.si-trust.gov.si/sl/eoi/seznam-drzav-eu-ki-podpirajo-e-osebno-izkaznico/ .
xviii.	Extracts from the Government database proving the number of the e-IDs issued
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. The first new e-ID cards shall be issued.	

The citizens were informed about the start of the issuance of the first e-ID cards through the published call on the SI-TRUST portal of the Ministry of Public Administration on 28 March 2022, inviting citizens to apply for a new ID card that enables also electronic identification and electronic signature.

On 19 April 2022, the Slovenian Ministry of the Interior sent a letter asking for a wide dissemination of the information related to the issuance of new identity cards which started to be issued as of 28 March 2022. This information was sent to all administrative units, all ministries, all municipalities, the General Police Directorate, the Notaries Chamber, the Association of Slovenian Banks, Insurance Slovensko, the Association of the Bar, Slovenian Chamber of Commerce and Industry. The Slovenian authorities shared the information letter, which is mentioned in the evidence list.

Starting from 28 March 2022, over 478 000 e-ID cards have been issued according to the extracts from the Government's database.

This shall be used nationally and cross-border in e-commerce. Furthermore, in line with the description of the measure the entry into force of the Electronic Identity and Trust Services Act and the amended Identity Card Act shall operationalise the use of national e-identity for the use of public services and provide basic conditions for e-commerce.

Articles 2 (4), 3 (4), 5 (1), 40 (2) of the Electronic Identification and Trust Services Act published in the Official Gazette of the Republic of Slovenia No. 121 on 23 July 2021 (*hereinafter the "Electronic Identification and Trust Services Act"*), include references to using the personal electronic identity in electronic commerce, setting the basis for this service using e-ID cards. In particular, Article 2(4) defines the personal electronic identity as a set of identification data of a natural person assigned by a country for use in electronic commerce, article 3(4) defines a unique identifier that shall be used to ensure cross-border electronic commerce in accordance with Regulation 910/2014/EU of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (eIDAS Regulation), adopted on 23 July 2014), article 5(1) sets the ways for a natural person to prove its identity in electronic commerce and article 40 (2) refers to IT Solutions for electronic commerce to be used by the Republic of Slovenia.

In the same Act, articles 3, 6, 45 and 49 define the unique number of electronic identification to ensure the cross-border usage and the links with the Regulation 910/2014/EU of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (eIDAS Regulation) and cross border authentication functionalities.

In addition, in order to provide basic conditions for e-commerce, the Ministry of Public Administration published all the required software for the usage of e-ID cards on the SI-TRUST portal (software needed for e-ID card activation (eOIAActivator) and instructions for its installation and usage, software needed for e-ID card usage (IDProtect Client) and instructions for its installation and usage, the mobile application eOsebna that supports e-ID card activation and its usage by using a mobile device, Frequently Asked Questions providing to citizens answers to basic questions regarding the usage of eID cards).

Furthermore, article 14 of the Electronic Identification and Trust Services Act, sets the electronic identification means for accessing electronic services in the public sector, article 15 of the same Act defines the required assurance level of electronic identification means to access electronic services in the public sector, while article 16 sets the processing and protection of data in electronic services in the public sector requirements. Thus, all these three articles operationalise the use of national e-identity for the use of public services.

The new identity card shall enable the citizen to identify and authenticate electronically in order to access electronic services and to sign electronically.

A report of the supervisory body, certifying the compliance with the Electronic Identification and Trust Services Act was submitted as evidence.

As per the provisions of articles 49 and 51 of the Electronic Identification and Trust Services Act, the Information Society Inspectorate acts as a supervisory body for electronic identification and trust services. In addition, according to article 50 of the same Act, the supervisory body for electronic identification has the competence to verify the compliance of the issuer of the electronic identification means with the regulations. Article 52 of the same Act establishes that the supervisory body verifies the provision of trust services under this the the Electronic Identification and Trust Services Act and is competent to perform supervisory tasks in accordance with Article 17 of Regulation 910/2014/EU (eIDAS Regulation) which sets the responsibilities for the supervisory body at EU level.

On 10 June 2022, an extraordinary inspection of the SI-TRUST procedures was performed by an inspector of the Information Society Inspectorate. The purpose of the inspection was to check the implementation of the provisions of the Electronic Identification and Trust Services Act, the Identity Card Act published in the Official Gazette of the Republic of Slovenia No. 41 on 19 March 2021 (*hereinafter "the Identity Card Act"*), the Regulation 910/2014/EU of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (eIDAS Regulation) and the Decree on the determination of electronic identification means and the use of a central service for online registration and electronic signature. After the inspection was finalised, the report was issued by the inspector concluding that no irregularities in SI-TRUST procedures were encountered.

Moreover, in the Electronic Identification and Trust Services Act, articles 2, 9, 24, 25, 28, 29, 34, 36, 38, 40, 42, 45, 46, 47, 48, 49, 54, 55, 58, 59, 62 define the electronic signature, issuers, use of the ESEI (unique electronic identification number) for qualified certificates for electronic signature, record keeping of holders of qualified certificated for the signature, data retained for the validation of the signature, identification when using the qualified certificates, revocation/suspension of the certificates for the signature, usage of data, operation of the qualified trust service provider, verification of interest in the certification process, central service for online registration and electronic signature, processing the personal data, authorities powers, criminal provisions, offences in the public sector, usage of qualified certificates for electronic signature issued for the purpose of authentication, checking of public interest, harmonisation of sectoral regulations.

Moreover, Articles 1, 5a, 6, 8, 10a, 19 of the amended Identity Card Act set out main provisions related to the electronic identification and authentication for access to electronic services and electronic signature, define the authorities responsible for providing the electronic identification and the qualified electronic signature, the content of the identity card, the rights for inspection for the ministry responsible, the validity of means of electronic identification and qualified certificate, record keeping (including the electronic identification and signature).

The legal basis for issuing e-identity shall be the Electronic Identity and Trust Services Act and the amended Identity Card Act (Act amending the Identity Card Act)

Slovenia provided copies and links to the acts setting the legal basis for issuing e-identity. The amendment of the Identity Card Act was published in the Official Gazette of Republic of Slovenia No. 41 on 19 March 2021 and entered into force fifteen days later, on 3 April 2021, in accordance with the provisions of article 26.

Under Article 1, the Act stipulates the definition of an identity card, the cross-border usage and the use of electronic identification and authentication for access to electronic services and electronic signature in accordance with the regulations governing electronic identification and electronic signature.

The Electronic Identification and Trust Services Act was published in the Official Gazette of Republic of Slovenia No.121 on 23 July 2021 and entered into force fifteen days later, on 7 August 2021, in accordance with the provisions of article 65. According to Article 1, this Act regulates the personal electronic identity assigned by the Republic of Slovenia and the electronic identification means used to prove that electronic identity and the electronic identification scheme based on this electronic identity in accordance with the requirements of Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification.

The system shall be notified under eIDAS to be cross border compliant

The eID scheme notification process was concluded on 17 May 2023 as evidenced in the Notification document supporting the eIDAS documentation. According to Article 6 of eIDAS - Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification, all EU Member States are therefore obliged to add Slovenian e-ID card to the list of eID means that can be used to authenticate cross border. Under Article 6, eIDAS defines a period of 12 months to do this but several Member States have already recognised the Slovenian e-ID card as an eID means for authentication to their e-services: Austria, Belgium, Czech Republic, Croatia, Latvia, Liechtenstein, Luxembourg, Portugal and Spain.

Commission Preliminary Assessment: Satisfactorily fulfilled

Modernising administrative processes for successful digital transformation

Number: 93	Related Measure: Modernising administrative processes for successful digital transformation	
Name of the Milestone: Removal of legal and administrative obstacles to the provision of e-services		
Qualitative Indicator: Provisions in the law indicating the entry into force of amendments to the General Administrative Procedure Act and the Decree on Administrative Commerce		Time: Q4 2022
Context: The objectives of reform C are to provide the legal basis for the further digitalisation of public services. The General Administrative Procedure Act and the Decree on Administrative Commerce were amended to enlarge the scope of electronic procedures in administrative processes. Milestone 93 requires the entry into force of amendments to the General Administrative Procedure Act and the Decree on Administrative Commerce. The amendments to the two legal acts aimed at simplifying the legal requirements for the provision of electronic public administration services and further digitalisation of administrative processes, including inter alia, payment services, support for the development of electronic applications, and the electronic submission of documents. Milestone 93 is the only milestone of this reform. The reform has a final expected date for implementation on 31 December 2022.		
Evidence provided: In line with the verification mechanism in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. Copy and link of the Debureaucratisation Act published in the Official Gazette of the Republic of Slovenia No. 3 of 7 January 2022, which amended (inter alia) the General Administrative Procedure Act: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-0014?sop=2022-01-0014 Documentation relating to the amendments to the Decree of administrative operations²: iii. Copy and link of the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 172 of 29 October 2021: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2021-01-3363?sop=2021-01-3363 iv. Copy and link of the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 68 of 13 May 2022: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-1605?sop=2022-01-1605 v. Copy and link of the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 89 of 1 July 2022: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-2236?sop=2022-01-2236. The authorities also provided:		

² Decree on Administrative Commerce is officially translated as Decree of administrative operations. For this reason, the official translation is used in the Cover note and PAF documents, except for the text directly copied from CID and Operational Arrangements (*Description of the milestone, CID Requirements*).

- vi. Copy and link of the English translation of the original General Administrative Procedure Act: <http://www.pisrs.si/Pis.web/cm?idStrani=prevodi>.
- vii. Copy and link of the English translation of the original Decree of administrative operations: (Ministry of Public Administration)
- viii. Copy and link of the Rules on the envelope, the proof of service, and other notifications for service in administrative procedures in the Official Gazette of the Republic of Slovenia No. 89 of 1 July 2022: <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-2177?sop=2022-01-2177>.
- ix. Appendix 1 to the summary document: Options of making payments through established electronic payment services.
- x. Appendix 2 to the summary document: Examples of electronic application.

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities cover all constitutive elements of the milestone.

The amendments to the General Administrative Procedure Act and to the Decree on Administrative Commerce shall aim at the simplification of legal requirements for the provision of electronic public administration services and the further digitalisation of administrative processes. Furthermore, in line with the description of the measure, **the General Administrative Procedure Act and the Decree on Administrative Commerce shall be amended to enlarge the scope of electronic procedures in administrative processes.**

The General Administrative Procedure Act was amended according to Article 1, recital (1), paragraph 3 of the Debureaucratisation Act published in the Official Gazette of the Republic of Slovenia No. 3 of 7 January 2022.

The provisions of Articles 16-26 of the Debureaucratisation Act published in the Official Gazette of the Republic of Slovenia No. 3 of 7 January 2022 refer to modifications brought to the General Administrative Procedure Act. These modifications aim at allowing state authorities to do business with participants in administrative procedures also through ordinary electronic mailboxes, provided that they voluntarily and freely register or notify the authority of the address of such a mailbox, to allow a public authority to serve copies of documents instead of the originals have also been amended and to abolish the mandatory use of a stamp. The possibility of usage of electronic mailboxes, the usage of copies and the stamp abolishment simplify the legal requirements for the provision of electronic public administration services and pave the way for further digitalisation, enlarging the scope of electronic procedures in administrative processes.

The Decree of administrative operations has been amended through:

- Article 1-14 of the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 172 of 29 October 2021, entered into force fifteen days after publication, in accordance with its final provision.
- Articles 1-13 of the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 68 of 13 May 2022, entered into force fifteen days after publication, in accordance with its final provision.
- Articles 1-7 of the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 89 of 1 July 2022, entered into force fifteen days after publication, in accordance with its final provision.

All the above-mentioned modifications to the Decree of administrative operations have simplified the legal requirements for the provision of electronic public administration services and the further digitalisation of administrative procedures, enlarging the scope of electronic procedures in administrative processes, as follows:

- the amendment included in the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 172 of 29 October 2021 foresees in Article 8 the issuance of documents in electronic format unless specified otherwise. Furthermore, Article 12 further expanded the scope of administrative cases in which it is possible for parties to submit an application without a qualified electronic signature (such as deciding on a request for the payment of compensation for a period of temporary absence from work and a request for the reimbursement of expenses, paid from compulsory health insurance funds if the request is submitted via the information system of the Health Insurance Institute of Slovenia and the submission of applications for registration in and deregistration from the register of unemployed persons and the register of jobseekers, applications for the reimbursement of job search costs, applications for claiming the right to unemployment benefits, the right to have compulsory social insurance contributions paid, the right to have pension and disability insurance contributions paid one year before the minimal conditions for entitlement to an old-age pension are met in accordance with the regulations governing pension and disability insurance, and an application for claiming an incentive for the employment of persons receiving unemployment benefits if the application is submitted via the information system of the Employment Service of Slovenia).
- the amendments included in the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 68 of 13 May 2022 concern the introduction of the electronic signature and the equivalence between electronic and physical documents (Article 1), methods of scanning the documents (Article 2), the conformity of a physical copy of a document in electronic form and the compliance of an electronic document with the document in the physical form (Article 5), expanding the scope of administrative cases for submitting applications without a qualified electronic signature (Article 11).
- the amendments included in the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No.89 of 1 July 2022 has further regulated electronic services via ordinary electronic mailboxes by prescribing certain legal standards related to serving documents in electronic form to an 'ordinary electronic mailbox' with or without acknowledgement of receipt (Article 6).

These (i.e. the electronic public administration services and the further digitalisation of administrative processes) shall include, inter alia, payment services, support for the development of electronic applications, and the electronic submission of documents.

Articles 16-26 of the Debureaucratisation Act published in the Official Gazette of the Republic of Slovenia No. 3 of 7 January 2022 amending the General Administrative Procedure Act facilitate the widely usage of payment services and development of electronic services as it is enabling to conduct e-business with persons who do not have a secure electronic mailbox, allowing a public authority to serve copies of documents instead of the originals, abolishing the mandatory use of stamp and allowing to issue documents only in electronic form. All these simplifications of the services are related to the electronic submission of documents. As a result of these simplifications, according to Appendix 1 and 2, on the e-Government portal the users of administrative services are able to make payments to the authorities for different administrative fees and e-services are available for people without secure mailbox, allowing the usage of copies and not requesting the use of stamp. In addition, on the e-Tax portal ("eDavki – electronic tax management system), the payment services related to preparation of payment and order or payment are facilitated, offering the option to self-employed entrepreneurs for automatic calculation of monthly taxes and contributions and for sending this information in a form of an e-invoice/e-payment directly to the e-bank system.

Moreover, Article 12 of the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 172 of 29 October 2021 further expanded the scope of administrative

cases in which it is possible for parties to submit an application without a qualified electronic signature for the decision on a request for the payment of compensation for a period of temporary absence from work, and a request for the reimbursement of expenses, paid from compulsory health insurance funds if the request is submitted via the information system of the Health Insurance Institute of Slovenia, further enabling the simplification of provision of payment services and the electronic submission of documents, as well as the development of electronic applications.

The amendments included in the Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 68 of 13 May 2022 specify the procedure for dealing with copies of documents in Articles 4 and 5. Copies of decisions and orders must also contain the prescribed certificate of the conformity of the copy with the original or an indication that the addressee may obtain an electronic original or a certified copy of the decision or order. Moreover, as per Article 3 of the above-mentioned act, if the document is signed by more than one signatory, the visual representation of the electronic signatures is simplified. Article 1 of the above-referenced Decree relates to the introduction of the electronic signature and the equivalence between electronic and physical documents and Article 5 also establishes the legal basis allowing individuals to obtain an extract from their official records directly by electronic means (without the intervention of officials) thus supporting the development of electronic applications and the electronic submission of documents. In addition,

The Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 89 of 1 July 2022 foresees in Articles 1-7 the requirements for the regulation of operations with ordinary electronic mailboxes, serving documents in electronic form to an 'ordinary electronic mailbox' with or without acknowledgement of receipt. Moreover, Articles 16 and 20 of the Debureaucratisation published in the Official Gazette of the Republic of Slovenia No. 3 on 7 January 2022 amending the General Administrative Procedure 3 refer to the electronic mailbox, thus supporting the development of the electronic applications for electronic exchanges between citizens and authorities.

The Decree amending the Decree of administrative operations published in the Official Gazette of the Republic of Slovenia No. 68 of 13 May 2022 concern the introduction of the electronic signature and the equivalence between electronic and physical documents (Article 1), methods of scanning the documents (Article 2), the conformity of a physical copy of a document in electronic form and the compliance of an electronic document with the document in the physical form (Article 5), expanding the scope of administrative cases for submitting applications without a qualified electronic signature (Article 11).

Commission Preliminary Assessment: Satisfactorily fulfilled

Transition to a Gigabit Society

Number: 94	Related Measure: Transition to a Gigabit Society	
Name of the Milestone: Adoption of a Broadband Plan 2021-2025		
Qualitative Indicator: The Broadband Plan is adopted by the government		Time: Q2 2022
Context: The objective of reform F is to contribute to providing broadband coverage across the whole territory of the Republic of Slovenia. The Electronic Communications Act shall be amended to optimise procedures for constructing electronic communication networks, increase efficiency of joint construction, and the predictability of the business environment. Milestone 94 relates to the adoption of the national Broadband Plan, setting out the needs in order to develop broadband coverage across Slovenia by 2025 and the measures to achieve this goal. Milestone 94 is the only milestone of this reform. The reform has a final expected date for implementation on 30 June 2022.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. Copy of the Gigabit Infrastructure Development (GDI) Plan until 2030, adopted by the Government of the Republic of Slovenia on 25 August 2022 through the Decision No. 38100-4/2022/5. iii. Explanatory report demonstrating how the actions foreseen in the national strategy/national programme/roadmap/action plan contribute to achieving the objectives of the reform as foreseen in the Council Implementing Decision annex. The authorities also provided: i. Copy and link of the Electronic Communications Act (ZEKom-2) adopted by the National Assembly of the Republic of Slovenia, published in Official Gazette of the Republic of Slovenia No. 130 on 11 October 2022, and entered into force thirty days later, in accordance with Article 323, on 10 November 2022 and link to the Official Gazette (https://www.uradni-list.si/_pdf/2022/Ur/u2022130.pdf). iv. Copy of the Addendum to the GDI Plan adopted by the Government of the Republic of Slovenia on 9 March 2023 through the Decision No. 38100-4/2022/5. v. Copy of the Strategy for the management of the radio frequency spectrum adopted by the Government of the Republic of Slovenia on 26 November 2021 through the Decision No. 38100-4/2021/5. viii. Copy of the Decision No. 38100-4/2022/5 of 25 August 2022 of the Government of the Republic of Slovenia for the adoption of the GDI Plan. ix. Copy of the Decision No. 38100-4/2022/8 of 9 March 2023 of the Government of the Republic of Slovenia for the adoption of the Addendum to the GDI Plan.		

- x. Copy of the Decision No. 38100-4/2021/5 of 25 November 2021 of the Government of the Republic of Slovenia for the adoption of the Strategy for the management of the radio frequency spectrum 2021-2023.

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

The Broadband Plan is adopted by the government.

On 25 August 2022, the Government of the Republic of Slovenia adopted the Gigabit Infrastructure Development (GDI) Plan until 2030 through the Decision No. 38100-4/2022/5 (*hereinafter referred to as "the plan"*). An addendum to the Gigabit Infrastructure Development (GDI) Plan until 2030 was further adopted on 9 March 2023 through the Government Decision No. 38100-4/2022/8 of 9 March 2023 (*hereinafter referred to as "the addendum to the plan"*). The plan and the addendum to the plan cover all the requirements of the Broadband plan 2021-2025 as foreseen in the Council Implementing Decision Annex. According to Chapter 1 of the addendum to the plan, the plan is a strategic document of the Republic of Slovenia for the establishment, and in part, for the promotion of the use of infrastructure that will enable Gigabit connectivity of all Slovenian households or inhabited dwellings, businesses and the main drivers of socio-economic development, as well as uninterrupted 5G coverage of all urban and other populated areas and major terrestrial transport routes.

The adopted plan shall set out:

1. The need to ensure adequate broadband networks in Slovenia by 2025, in line with the objectives for Connectivity for a European Gigabit Society 2025. Furthermore, in line with the description of the measure, **the national Broadband Plan shall set out the needs in order to develop broadband coverage across Slovenia by 2025 and the measures to achieve this goal.**

Chapter 3 of the plan presents the state of development of broadband networks in the Republic of Slovenia. In particular, the chapter analyses the main indicators of the state of play of the electronic communications market (the fixed broadband penetration trend, the trends in the share of fixed broadband technologies according to the number of broadband Internet access connections, the trend in the number of connections or accesses of the next generation (NGA), the penetration of fixed broadband NGA connections to households, the fixed broadband Internet access market shares by access speed, the trend of mobile broadband traffic), the allocation of radio frequency spectrum for 5G network construction and establishment of 5G technologies, comparing Slovenia's connectivity indicators with the EU averages therefore mapping out the needs to develop the broadband coverage in Slovenia and to ensure adequate broadband networks by 2025.

The Communication of the Commission COM (2016) 587 final "Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society" (the so-called – Connectivity for a European Gigabit Society 2025) puts forward the following main strategic objectives for 2025:

- Gigabit connectivity for all of the main socio-economic drivers such as schools, transport hubs and main providers of public services as well as digitally intensive enterprises;
- uninterrupted 5G coverage for all urban areas and major terrestrial transport paths;
- all European households, rural or urban, will have access to Internet connectivity offering a downlink of at least 100 Mbps, upgradable to Gigabit speed.

Under chapter 4 of the plan, the Slovenian authorities identify five strategic objectives for the development of the gigabit infrastructure. They are aligned with the above-mentioned European Gigabit Society 2025 objectives. In practice, the plan includes the same three strategic goals to be met by 2025 as mentioned through the European Gigabit Society 2025 Communication.

As regards the measures to achieve the objectives, in chapter 6 of the Plan are detailed:

- the necessary legislative actions to be taken (such as the transposition of the Directive (EU) 2018/1972 on the European Electronic Communications Code, the transposition of the Directive 2014/61/EU on measures to reduce the costs of setting up high-speed electronic communication networks, the allocation of radio frequency spectrum in the Republic of Slovenia and measures to ensure adequate radio frequency spectrum coverage area, additional measures related to 5G networks, a cybersecurity toolbox, ensuring the compliance with state aid rules)
- strategic actions (such as infrastructure mapping, stimulating demand for broadband and promoting digitization and digital transformation, provisioning the universal service in order to avoid digital exclusion, putting forward a set of tools to reduce the cost of deploying very high capacity networks)
- financial measures (such as public co-financing of the construction of broadband networks in white spots)
- other measures supporting the objectives (the geoportal displaying the data of electronic communications and network connection points, the portal of infrastructure investments, the AKOS - Agency for Communication Networks and Services of the Republic of Slovenia test net, technical assistance).

2.A national plan for the construction of 5G infrastructure

An integral part of the plan is also the plan for the construction of 5G infrastructure, which is detailed in the following chapters:

- 1. Introduction (page 4): the chapter includes the general characteristics of 5G networks, future expectations regarding the use of 5G technology, and the advantages of 5G technological development.
- 2. EU policy objectives and initiatives (page 10): the chapter summarizes the EU's 5G objectives.
- 3.2. The assignment of radio spectrum for the construction of 5G network and the deployment of 5G technology (page 17): the chapter includes all aspects of the allocation of radio frequency spectrum and a summary of the recently realized public auction of radio frequencies in harmonized bands, results of public auction, coverage obligations and/or offering services, sharing infrastructure and ensuring security, and the obligation to comply with the toolkit for mitigating cyber security risks of 5G networks.
- 4. Strategic objectives of the Republic of Slovenia in the development of gigabit infrastructure (page 24): the chapter includes, inter alia, the objectives proposed by Slovenia for ensuring uninterrupted 5G coverage for all urban areas and all major terrestrial transport routes by the end of 2025 and 5G coverage of all populated areas by the end of 2030.
- 5. Investments envisaged to achieve the objectives (page 24): the chapter includes planned co-financing of the construction of broadband infrastructure from public funds, including the construction of open 5G mobile networks (open passive base stations) and an assessment of the investment gap. In relation to the objective of ensuring coverage with the 5G network it is stated that the financial assessment will be prepared subsequently, based on new mapping and market interest testing, expected to be finalised by the end of 2023. Some more details about this are also in chapter 6.3.2. (Other financial measures) on page 40.

- 6. Measures to achieve the objectives (page 31): the chapter includes two subsections dealing with radio frequency spectrum, namely the allocation of radio frequency spectrum and additional measures regarding the 5G network.
- 7. Indicators (page 43): the chapter also includes indicators of 5G network coverage by 2025 and 2030.

3.The necessary changes to the legal bases in the field of electronic communications. Furthermore, in line with the description of the measure, the **Electronic Communications Act shall be amended to optimise procedures for constructing electronic communication networks, increase efficiency of joint construction, and the predictability of the business environment.**

The amendment of the Electronic Communications Act was adopted by the National Assembly of the Republic of Slovenia, published in Official Gazette of the Republic of Slovenia No. 130 on 11 October 2022, and, in accordance with Article 323, entered into force thirty days later, on 10 November 2022. According to Article 2 (2), the Act transposes into the national legislation the Directive (EU) 2018/1972 on the European Code of Electronic Communications and Directive (EU) 2014/61 on measures to reduce the cost of deploying high-speed electronic communication networks.

According to Article 2, the purpose of this Act is to promote the development of electronic communications networks, including the promotion of investment by reducing the costs of constructing or deploying such networks and the development of services in the Republic of Slovenia. The purpose of this Act is also to ensure effective competition in the electronic communications market, the efficient use of radio spectrum, universal service and the protection of the rights of users, including disabled users and users with special social needs, and the right to communications privacy of users of public communications services, as well as strengthened rules for ensuring the security of networks and services, including in the light of managing the risks posed by new technologies.

The requirements regarding the optimisation procedures, joint construction, and predictability of the business environment, aiming at the timely and efficient deployment of electronic communications networks are stipulated in the amended Electronic Communications Act 2 as follows:

for constructing electronic communication networks: according to Article 10 (1) of Act, the ministry responsible for electronic communications is the state body also responsible for spatial planning in the field of planning public communication networks and associated infrastructure.

- for increasing the efficiency of joint construction – Article 11 introduces extension of time limits for the notification of the intention to construct, since short time limits may reduce the possibility of joint construction due to changes in the original construction planning.
- for optimising the predictability of the business environment Articles 18 and 19 of the Act regulate the geographic review of network deployment and testing of market interest. Article 20 establishes the legal basis for the allocation of public funds for the construction of fixed broadband and mobile networks and for the promotion of connectivity.

4.Measures to ensure appropriate radio spectrum area in Slovenia

Chapter 6 (Actions to achieve the objectives), point 6.1.3 of the plan (Radio spectrum assignment in the Republic of Slovenia and measures to ensure an appropriate radio spectrum coverage area) envisages the following measures:

- the release of the radio spectrum at international level and allocate it to mobile communications network operators according to needs.
- The management of radio spectrum shall be guided by the fact that all available radio frequencies are offered for use by interested stakeholders in a competitive process in accordance with the legislation without unjustified delay.

- The Agency for Communication Networks and Services (AKOS), which manages the radio spectrum of the Republic of Slovenia on the basis of a public mandate, will allocate radio spectrum for the provision of public communication services to end-users, including frequency bands harmonised at EU level for the deployment of 5G networks.
- In calls for tenders for the assignment of radio frequencies for the provision of public communications services to end-users, AKOS will impose general and additional coverage obligations, as assessed at the time of preparation of the calls for tenders according to the analysis of the situation, namely: – general coverage obligations – providers acquiring radio spectrum in any radio spectrum band will be required to commercially enable publicly available broadband services on mobile terrestrial systems in each acquired radio band in such a way that they are within a specified time frame deadline from the availability of each the radio spectrum band shall start using these frequencies and offer services to end-users on those frequencies in a specific geographical area; additional coverage obligations for a certain part of the radio spectrum – providers will have to commercially offer publicly available broadband services on mobile terrestrial networks with all radio spectrum at the end of the call for tenders, ensuring coverage in accordance with the provisions of the public tender, such as ensuring a certain coverage of the main transport routes or the population of the Republic of Slovenia.

5. Concrete measures needed to achieve the objectives

Measures to achieve the objectives are classified in chapter 6 (Actions to achieve the objectives), of the plan into legislative, strategic, financial and other measures.

Legislative measures concern:

- The transposition of the Directive (EU) 2018/1972 on the European Code of Electronic Communications and the transposition of Directive 2014/61/EU on measures to reduce the cost of deploying high-speed electronic communication networks radio frequency spectrum allocation (based on that measure, all urban areas and all major transport paths should have uninterrupted 5G coverage by 2025), radio spectrum assignment in the Republic of Slovenia and measures to ensure an appropriate radio spectrum coverage area, additional 5G network measures and ensuring the compliance with EU state aid rules.
- Strategic measures concern: infrastructure mapping, stimulating demand and promoting digitalisation and digital transformation (for the issuance of connectivity vouchers only), provision of universal service, toolkit to reduce the cost of deploying very high capacity network)
- Financial measures concern: Public co-financing for the construction of broadband networks in white areas and other measures (such as connectivity voucher schemes).
- Other measures concern: Geoportal displaying electronic communications data, Infrastructure investment portal, AKOS Test net, technical assistance and expert advice.

6. Key Performance Indicators (KPIs) to achieve the set targets within the set deadlines

The KPIs put forward by Slovenia in Chapter 2 of the addendum to the plan for achieving the strategic objectives by 2025 are:

- Household internet access at a speed of at least 100 Mbps to the user, upgradable to gigabit speed (to increase from 88% in 2022 to 100% by 2025).
- Gigabit connectivity for all major drivers of socio-economic development (primary and secondary schools, cultural institutions, transport hubs, railway stations, ports and airports, local authority buildings, universities and research centres, medical clinics, hospitals, stadiums, digital-intensive businesses) with targets evolving to 100% coverage by 2025.

- | |
|---|
| <ul style="list-style-type: none">• Uninterrupted 5G coverage for all urban areas and all major terrestrial transport routes (urban areas, motorways and national roads, railways) with targets aiming to 100% by 2025. |
| Commission Preliminary Assessment: Satisfactorily fulfilled |

Digitalisation of internal security

Number: 100	Related Measure: Digitalisation of internal security		
Name of the Target: Users of the new Police Digital Radio Network (TETRA)			
Quantitative Indicator: Number	Baseline: 0	Target: 11000	Time: Q4 2022
Context: The measure aims to improve and upgrade the technology available at the level of the Slovenian police to optimise and support the work processes. Target 100 concerns the establishment of a state-wide TETRA digital radio network infrastructure. The network infrastructure has to be operational for the needs of the national police with 11000 users. Target 100 is the first step of the implementation of the investment, and it will be followed by target 101, related to the establishment of a private cloud interoperable with the existing systems at the level of the Slovenian for the needs of the national police. The investment has a final expected date for implementation on 31 December 2025.			
Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the target was fulfilled including an analysis confirming the use of EU coordinated radio frequencies for public security and compatibility with national radio systems of neighbouring countries; ii. Anonymised list of users with access to the digital radio network prepared by the Ministry of Interior; The authorities also provided: i. List of radio frequencies used in the TETRA digital radio network of Slovenia; ii. Agreement regarding the use of radio frequencies for digital land mobile systems of the emergency services signed by Telecommunications Administrations of Austria, Croatia, Czech Republic, Germany, Hungary, Italy, Slovakia, Slovenia (Slovenian Agency for Communication Networks and Services) and Switzerland on 25 March 2002. iii. System Acceptance Test Plan (SAT) document, (14 May 2021). iv. Final Acceptance Test Plan (FAT) document (17 February 2022). v. Acceptance minutes of the TETRA project between contracting authority and TelekomSlovenies (Contract No C1714-20-460297) signed on 30 July 2022. vi. For each of the 60 sample units: a. Radio Subscriber Reports issued by the Ministry of Interior.			
Analysis: The justification and substantiating evidence provided by the Slovenia authorities covers all constitutive elements of the target. The digital radio network of national authorities of the Republic of Slovenia is planned to have 11 000 users. Furthermore, in line with the description of the measure, a state-wide TETRA digital			

radio network infrastructure shall be established and operational for the needs of the national police.

In order to establish a state-wide TETRA digital radio network infrastructure, the required equipment has been set-up and tested through a System Acceptance Test prepared by the contractor to verify that the new system met the requirements (see: System Acceptance Test Plan document). Then, upon completion of the new network construction a Final Acceptance Test was performed by a contractor in order to evaluate the completion of the system, as well as correctness and high quality of work and, then, gradually the operational use of the TETRA system was introduced in all police units (see: Final Acceptance Test Plan document).

A state-wide TETRA digital radio network infrastructure has thus been established and there are 11 001 unique users registered to the system (see: Anonymised list of users with access to the digital radio network).

The evidence provided for a sample of 60 users confirmed that the requirements of the target have been met. The 60 Radio Subscriber Reports include reference to the organisation of the user and they confirm that the registration of the user in the network is completed and that the user has access to the network.

The network shall use EU coordinated radio frequencies for public security and shall be compatible with national radio systems of neighbouring countries.

The Agreement regarding the use of radio frequencies for digital land mobile systems of the emergency services signed by National Authorities states that the frequencies shall range between 380-385 MHz and 390-395 MHz that are EU coordinated radio frequencies for public security. The Agreement also establishes the frequency distribution of the channels between neighbouring countries within the EU coordinated radio frequencies bands in order to ensure compatibility and communication between national radio systems of neighbouring countries (see: agreement pages 6-7-8).

The new TETRA digital radio network infrastructure uses frequencies between 380 – 385 MHz and it is thus compliant with the EU coordinated radio frequencies. The system is also selects frequencies to ensure compatibility between police officers of neighbouring countries and at same time it enables communication between them (see: List of radio frequencies used in the TETRA digital radio network of Slovenia, summary document page 3 containing analysis of radio frequencies).

Commission Preliminary Assessment: Satisfactorily fulfilled

Operation and management of the RDI system

Number: 110	Related Measure: Operation and management of the RDI system	
Name of the Milestone: Entry into force of the Act on Research, Development and Innovation Activities		
Qualitative Indicator: Provision in the law indicating the entry into force of an Act on Research, Development and Innovation Activities following adoption by Parliament		Time: Q2 2022
Context: The reform aims at increasing the efficiency and effectiveness of public investment in RDI, creating a competitive and impactful research and innovation environment, and boosting RDI efforts on the green and digital transition. It comprises of legislative measures as well as the revision of governance and evaluation systems and the reinforcement of research entities and networks. Milestone 110 concerns the entry into force of the Act on Research, Development and Innovation Activities to increase the efficiency and coordination of RDI governance. Milestone 110 is the first step of the implementation of the reform and it will be followed by milestone 111, related to the establishment of a Joint Programme Committee. The milestones related to the implementation of the reform have a final expected date for implementation in 30 June 2022. Following the completion of this milestone, in line with the description of the measure in the Council Implementing Decision, Slovenia will establish a common monitoring and evaluation system for RDI policies; and strengthen the support environment of already established entities and networks at national and international level to promote knowledge flows and academia-business cooperation. This is a further step of this reform that is not linked to the milestones and targets in the Council Implementing Decision.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Copy of the publication in the Official Journal of the Republic of Slovenia of the Research-Development and Innovation Activities Act, which entered into force on 15 December 2021 is applicable since 1 January 2022; ii. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. The authorities also provided: i. Copy of an amendment of the RDI act (Act amending the Scientific Research and Innovation Activities Act (ZZrID-A)), which was published in the Official Journal of the Republic of Slovenia on 3 April 2023 and entered into force on 4 April 2023 (see article 22): 40/23 (http://www.uradni-list.si/1/objava.jsp?sop=2023-01-1129); ii. Copy of the Gender Equality Plan of the Institute "Jožef Štefan"; iii. Copy of the Gender Equality Plan of the Ministry of Education, Science and Sport; iv. Copies of 8 employment contracts of the Slovenian Research and Innovation Agency (ARIS); v. Copy of an employment contract of the Public Agency for Investment, Entrepreneurship and Internationalization (SPIRIT); vi. Copy of an employment contract of the Ministry of Education, Science and Sport on providing support to the National Contact Points and strengthening the supportive environment for inclusion and effective participation of organisations in EU programmes;		

- vii. Copy of a Project Implementation Report on the requirement to strengthen the support environment of the network of national contact points for the European research area integration;
- viii. Copy of a Project Implementation Report on activities to strengthen project offices at public research organisations;
- ix. Copy of the Contract No C3330-23-952007 on co-financing the implementation of the project “Extending Horizon Ambition and Dynamic through Project Office Support” between the Ministry of Higher Education, Science and Innovation and six research institutes with the aim to strengthen the project offices of public research organisations, signed on 18 April 2023;
- x. Copy of a report by the Public Agency for Investment, Entrepreneurship and Internationalization (SPIRIT) on ‘The status of activities for measure C3.K8.RA ‘Operation and management of the RDI system’ of 2 October 2023;
- xi. Copy of the work programme of the Joint Programme Committee.

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

The Act shall aim to increase the efficiency and coordination of RDI governance

Article 8 of the RDI act establishes a Development Council as an expert consultative body on scientific research and innovation activities for the government. The Development Council brings together the heads of the major public research institutions and financiers, as well as representatives of business and ministries, and other stakeholders. Its tasks include proposing and monitoring scientific research and innovation activities, addressing the efficiency and effectiveness of the performance of innovation activity tasks, and the monitoring of the achievements of public research organisations. A National Council for Integrity in Science is introduced to address ethical issues and practices in scientific research (Article 39).

The Act shall, inter alia, increase and stabilise public funding for RDI activities

By stipulating that the budget for scientific research be gradually increased to reach a stable level of financing of at least 1% of GDP the RDI act will improve the conditions for stable funding for scientific research considerably (Article 13(1) RDI act). This is expected to be achieved in 2027; according to Eurostat data, the public financing of RDI was at 0.5% of GDP in 2021.³

Article 14 of the RDI act stipulates that continuous implementation of the instruments for the allocation of funds to promote industrial research and experimental development is ensured.

Increase the autonomy of public research organisations

Article 59 of the RDI act lays down that public research institutes should be autonomous in their work. The RDI act (Article 69(2)) provides that the management board of a public research or infrastructure institute has the power and responsibility to adopt the institute’s statute, and that the Board of Directors appoints and dismisses the Director of the institute. This increases the autonomy of these institutes vis-à-vis the ministry.

The RDI act (Article 77(2)) also empowers public research organizations to set up a company for the purpose of transferring knowledge to society or business sector (“spin-offs”); an approval from the ministry was required before. The possibility to set up such companies increases the flexibility of the public research organizations to organise their activities.

³ Gross Domestic Expenditure on R&D (GERD) by sector of performance, Online data code: RD_E_GERDTOT__custom_1637912, last update: 03/10/2023 23:00.

Establish results-based funding elements

Article 28 of the RDI act stipulates that the contract between the Slovenian Research Agency and the public research institutes on the six-year funding of the respective institute should specify the strategic and long-term objectives of the recipient of stable funding, measures for the achievement thereof and indicators for monitoring them. The reports on the achievement of the objectives will be published on the website of the Slovenian Research Agency.

Article 30 outlines periodic evaluations of research programs with recommendations for improvement or discontinuation, providing further results-oriented criteria.

Additionally, Article 31 mandates institutional self-evaluations, covering a range of impact factors, as prerequisites for negotiations on new funding periods. These detailed provisions in the RDI act serve as primary evidence, clearly supporting the establishment of results-based funding elements.

Stimulate cooperation of researchers with EU research projects and business

The RDI act (Article 62(2)) provides greater flexibility in the use of third-party funds by researchers and incentives in the form of higher salaries for researchers working for a limited period on the basis of a special contract with an EU body, an international organisation or a foreign institution or other foreign financier or economic operator (Article 64).

Promote internationalisation and inter-sectoral mobility and knowledge transfer

Article 20 of the RDI act enables research organizations to engage in knowledge transfer and enhance the co-operation with the research environment, including business.

Article 77 of the RDI act empowers public research organizations to set up a company for the purpose of transferring knowledge to society or business sector ("spin-offs").

Article 65 of the RDI act opens the possibility for employees in public research institutes to take a sabbatical year or to be employed for another employer for research or pedagogical works for a limited period of time. This provides flexibility for researchers to go abroad or to venture in other areas, including in the commercialisation of research.

Furthermore, in line with the description of the measure, the reform consists in the establishment of a common monitoring and evaluation system for RDI policies

Article 4 of the RDI act defines the creation of conditions for quality and independent guidance, evaluation and monitoring of scientific research activity as an objective of the act. Article 8 tasks the Development Council to monitor: - the results and impacts and developments in scientific research and innovation activities, including the implementation of a scientific research and innovation strategy, - the implementation of the programming documents for the area of scientific research and innovation activities, and the achievements of public research organisations with a view to achieving the country's strategic objectives. Article 44 tasks ARRS with the monitoring of the implementation of the activities of the scientific research activities it funds.

Article 30 establishes a common evaluation system for the evaluation of research programmes. It defines as the fundamental criterion of evaluation its scientific excellence and societal impact. It requires evaluations to be performed by external evaluators. ARRS is tasked to lay down the procedure and methodology for carrying out the evaluations. Article 31 requires recipients of funding under the RDI act to conduct institutional self-evaluation of their scientific research activities in the fifth year of their financing period. These evaluations address, among other things, the wider professional, social and economic impact of the research activities.

In addition, the Joint Programme Committee (milestone 111) has the establishment of a common monitoring and evaluation system as a task in its work programme. Furthermore, the Ministry for Higher Education, Science and Innovation and the Ministry for Economy, Tourism and Sport are implementing two pilot activities: i) an evaluation of the envisaged reform for changes in the system

of governance and public investment in R&D, ii) an intermediate evaluation of the new Scientific-Research and Innovation Strategy 2030.

Furthermore, in line with the description of the measure, the reform consists in the reinforcement and empowerment of the two executive research agencies

The two executive research agencies, SPIRIT and ARIS, have been reinforced with additional staff, evidenced by copies of the employment contracts of the additional staff. SPIRIT has recruited 16 new staff since July 2022, of which 11 are still employed (see 'Copy of a Project Implementation Report on activities to strengthen project offices at public research organisations'). Joint networking and networking events of the executive agencies are expected to increase the effectiveness of the two agencies. In addition, 22 events in the framework of networking of stakeholders in the innovation environment have been organised in 2022 and 2023 (see 'Copy of a Project Implementation Report on activities to strengthen project offices at public research organisations'). Three trainings to empower executive agencies have been organised in 2023 (see 'Copy of a Project Implementation Report on activities to strengthen project offices at public research organisations'). The support environment for national contact points has been reinforced with the conclusion of a contract between the Ministry of Education, Science and Sport and six research institutes, which ensures the co-financing of projects of these institutes by the ministry (see 'Copy of a contract of the Ministry of Education, Science and Sport on providing support to the National Contact Points and strengthening the supportive environment for inclusion and effective participation of organisations in EU programmes'). SPIRIT and ARIS are closely co-operating in the implementation of these activities.

The strengthening of the support environment of already established entities and networks at national and international level to promote knowledge flows and academia-business cooperation

New employment contracts have been signed at national contact points to strengthen the support environment and the network of national contact points. The Ministry of Higher Education, Science and Innovation has signed multilateral contracts for the co-financing of projects with four consortia of public research organisations, selected on the basis of a public call for tenders. The objectives of the projects include the recruitment of staff in selected project offices of public research organisations; the organisation of events to strengthen the competences of those in charge of applications and project management, to inform, raise awareness and advise the research community on opportunities under centralised EU research programmes; an improvement of the success rate of applications to the different instruments of Horizon Europe; the publication of at least 32 digital materials aimed at further enhancing the competences and capacities of project offices (see 'Copy of a Project Implementation Report on activities to strengthen project offices at public research organisations').

An analysis of the state of the supporting environment is being carried out with proposals to improve the functioning of the national contact point supporting environment. An evaluation of the functioning of the supportive environment in the context of the integration into the international sphere will be carried out in 2025 and presented in 2026. Events in the framework of connecting and networking between Slovenian applicants to the EU Horizon Europe program have started in 2023. Trainings to empower the support environment of national contact points are starting in 2024 and will be completed by 30 June 2026. All these activities are expected to be completed by 30 June 2026. These measures are described in the document 'Project Implementation Report on the requirement to strengthen the support environment of the network of national contact points for the European research area integration').

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 111	Related Measure: Operation and management of the RDI system	
Name of the Milestone: Joint Programme Committee established and operational		
Qualitative Indicator: Joint Programme Committee established and operational by decision on the appointment and tasks of the committee by the Government of the Republic of Slovenia		Time: Q2 2022
Context: The objectives of this reform are to increase the efficiency and effectiveness of public investment in Research, Development and Innovation (RDI), to create a competitive and impactful research and innovation environment, and to boost RDI efforts on the green and digital transition. The reform consists of a new RDI act and a new model of governance and integration of the research and innovation ecosystem. A common monitoring and evaluation system for RDI policies will be established and the agencies and networks supporting research and innovation at national and international level will be strengthened. Milestone 111 consists of the establishment of the Joint Programme Committee to allow for a better coordination of the design and implementation of scientific research and innovation policy. The Joint Programme Committee is a crucial step to improve the efficiency of public investment in RDI in Slovenia along with the RDI act (milestone 110). These two milestones are the only milestones and targets of this reform.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. Copy of the adopted Decision The authorities also provided: iii. Minutes of the first five meetings of the Joint Programme Committee: 1. Minutes - 1st meeting of the Programme Committee on Operational Coordination scientific research and innovation policies, Ministry of Education, Science and Sport, 14 June 2022; 2. Minutes - 1st meeting of the Programme Committee on Operational Coordination scientific research and innovation policies, Ministry of Education, Science and Sport, 19 October 2022, which adopted the Rules of procedure for the work of the Programme Committee; 3. Minutes - 1st meeting of the Programme Committee on Operational Coordination scientific research and innovation policies, Ministry of Education, Science and Sport, 6 December 2022; 4. Minutes - 1st meeting of the Programme Committee on Operational Coordination scientific research and innovation policies, Ministry of Education, Science and Sport, 21 February 2023; 5. Minutes - 1st meeting of the Programme Committee on Operational Coordination scientific research and innovation policies, Ministry of Education, Science and Sport, 25 May 2023; iv. Work programme of the Joint Programme Committee.		

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

The Joint Programme Committee shall allow for stable and continuous coordination at both strategic and operational level, including coordination between RDI delivery instruments regardless of the source of funding.

The Government of the Republic of Slovenia adopted Decision no. 01100-1/2022/9 on 10 May 2022. The Joint Programme Committee is fully operational (minutes of its meetings and its work programme have been provided).

The government decision tasks the Joint Programme Committee, among other things, with:

- the development of common baselines for a coherent science-research and innovation policy;
- addressing and coordinating strategic-operational aspects related to scientific research and innovation policy planning;
- addressing the key implementation issues for standardisation and the coherence of the implementation of public tenders, calls and other actions by the various departments, public agencies, funds - notably issues related to the green and digital transition - and the complementarity of these measures with the Slovenian Export and Development Bank's measures;
- the coordination of the funding programmes and actions of ministries and public agencies represented on the Programme Committee, regardless of the source of funding, with the aim of stable and coordinated funding;
- the coordination and integration of the various networking, information, training and joint events activities in the context of strengthening the scientific research and innovation ecosystem;
- the development of a system for monitoring and evaluating RDI activities;
- ensuring mutual information and dissemination of key legislative, strategic and operational documents from different areas of work.

The Joint Programme Committee comprises representatives from:

- Ministry of Education, Science and Sport;
- Ministry of Economic Development and Technology;
- Ministry of Agriculture, Forestry and Food;
- Government Office for Development and Cohesion Policy;
- Public Agency for Research Activities of the Republic of Slovenia;
- Public Agency of the Republic of Slovenia for the Promotion of Entrepreneurship, Internationalisation, Foreign Investment and Technology;
- SID – Slovenske Export and Development Bank

This brings together the major players in public RDI in Slovenia. In addition, the Joint Programme Committee is invited to involve representatives of other relevant ministries and state bodies as well as independent experts.

it's the work programme 2022-2023 of the Joint Programme Committee includes the following items:

- Coordination of implementation at policy levels: Scientific Research Innovation Strategies 2030, Industrial Policy Strategy and Smart Specialisation Strategy;
- Monitoring of areas relevant for RDI (system governance, support environment, evaluations, Horizon Europe evaluation);
- Preparation of the evaluation plan programmes and individual measures;
- Preparation plan for promotion measures and best practices, taking into account diversity scientific research and innovation ecosystem;

- Preparation of standardised reports on implemented calls for tenders and actions of the institutions involved in the Programme Committee with proposals for improvement;
- Agreement to conduct a feasibility study for a joint agency;
- possibilities for standardisation and digitalisation of public calls for tenders;
- Presentation of work programmes and the financing plans;
- Treatment of strategic and operational aspects of the green and digital transition;
- Cooperation in the preparation of national positions or recommendations for the future multi-annual framework programme for research and innovation;
- Dealing with European Partnerships and European value chains;
- Participation in the Strategic Plan 2025-2027 for Horizon Europe.

At its first five meetings, held between June 2022 and May 2023, among other things, the Joint Programme Committee:

- adopted its rules of procedure,
- discussed an RDI interface for Slovenia's scientific research and innovation system reflecting its task to address and coordinate strategic-operational aspects related to scientific research and innovation policy planning,
- took stock of events and other promotion activities for research and innovation, reflecting its task regarding the coordination and integration of networking, information, training and joint events activities in the context of strengthening the scientific research and innovation ecosystem;
- discussed a forward-looking plan to select what will be implemented through public tenders in the following year, reflecting its task to address key implementation issues for standardisation and coherence of the implementation of public tenders, calls and other actions by the various departments, public agencies and funds,
- discussed instruments to support young people in the field of RDI at various stages of their research career.
- decided that in the context of joint events and trainings, emphasis should be placed on the do-no-significant-harm (DNSH) principle.
- agreed that at each of its meetings there should be a report on activities at the Development Council of the Republic of Slovenia in order to circulate information accordingly, reflecting its task to ensuring mutual information and dissemination of key legislative, strategic and operational documents from different areas of work.

At the fourth meeting of the Joint Programme Committee, the OECD presented the activities of a new technical support project of the EU to strengthen the governance of the scientific research and innovation ecosystem in Slovenia.

The exchanges in and activities of the Joint Programme Committee are considered suited to enhance the efficiency of the governance of public RDI in Slovenia.

The establishment and activities of the Joint Programme Committee presented herein appear to effectively address the legal requirement for introducing a new model of governance and integration within the Slovenian research and innovation ecosystem. The composition of the Committee, comprising representatives from key ministries and agencies, reflects a comprehensive approach to collaborative decision-making. The work programme 2022-2023 demonstrates a proactive commitment to policy coordination, evaluation planning, and fostering efficient cooperation at both national and European levels.

Commission Preliminary Assessment: Satisfactorily fulfilled

Strengthening the capital markets

Number: 125	Related Measure: Strengthening the capital markets	
Name of the Milestone: Adoption of the Capital Market Development Strategy in Slovenia for the period 2023 – 2030		
Qualitative Indicator: Adoption of a capital market development strategy by the government		Time: Q2 2022
Context: The milestone 125 is part of the reform which has an objective to strengthen Slovenian capital markets. The reform consists of the entry into force of a new Act on forms of alternative investment funds and the adoption of the development strategy for the Slovenian capital market which will be adopted, setting out specific measures for further development, building on the results of the Structural Reform Support Programme project “Capital Market Enhancement and Development in Slovenia”. Milestone 125 requires the adoption of the strategy which includes measures to achieve a more dynamic capital market, including through market uptake within the European Capital Union; the establishment of contact points in all global financial markets; establishing an effective online information system on FinTech and other financial services innovations; adaptation of existing measures. Milestone 125 is the second step in the capital markets reform, as the act on forms of alternative investment funds has already been adopted (milestone 124).		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. This document includes as an annex the following documentary evidence: ○ Copy of the adopted strategy and a link to the website where the strategy can be accessed. Publication of the Decision of the Government of the Republic of Slovenia on the website of the Ministry of Finance ○ justification that the strategy is fully aligned with the description, requirements and objectives as set out in the milestone and of the description of the reform in the Council Implementing Decision. • Mandate for the Emerging Market Status (EMS) Working Group Doc. No.: 402-3/2022/92, date: 11 May 2023) • Minutes of the 1st EMS WG meeting (29 June 2023) • Summary of EMS work to date (29 September 2023) • Mandate for the intra-governmental group on Fintech innovation (signed by the Slovenian Minister of Finance) No: 402-3/2022, dated 31 May 2023) • First minutes of the meeting of the intra-governmental group (undertaken in 13 June 2023) • Project “Developing Fintech roadmap in Slovenia” ToR with the EBRD (confirmed in September 2023)		
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. Adoption of a capital market development strategy by the government		

The annexed document confirms that the Slovenian government adopted the strategy at its session on 2 March 2023.

Based on the analysis in the strategy, the Slovenian capital market has low liquidity and low number of financial instruments traded. Institutional investors do not see it as a suitable market for allocating their investments. The limited and underdeveloped capital market and the low level of financial literacy of smaller companies impedes the inflow of equity capital into the country and hinders the growth of innovative firms.

The strategy builds on the Commission supported project “the Capital Market Strengthening and Development in Slovenia (CMDs)” which produced a detailed analysis on the shortcomings. The outcome of this project is this Slovenian Capital Market Development Strategy, which addresses the Slovenian capital market as a whole and aims at achieving more dynamic capital market.

The strategy shall include measures to achieve a more dynamic capital market, including through market uptake within the European Capital Union

With regards to achieving market uptake within the European Capital Union the strategy focuses on eight areas:

- i. establishing the emerging market status, Chapter 4.1. Slovenia’s goal is that the market would be recognised in various indexes produced;
- ii. establishing a start-up market for SMEs (4.2.1). Establish better trading conditions for SMEs, using modern technologies;
- iii. adding to the supply of bonds on the capital market (4.2.2), Improve the supply of bonds on the market – corporate, municipal, sovereign;
- iv. improving financial education (4.2.3). Improve financial literacy of the population to create a better understanding of the functioning of the capital markets to prepare citizens for the increasing integration of digital technologies in the financial sector;
- v. additional changes to the regulatory environment to strengthen the capital market (4.3.2). Strategy proposes legislative changes to remove administrative barriers that prolong procedures or impose an unnecessary burden on capital market participants, also analyses changes needed to stimulate investment by changing the law governing pension and disability insurance to allow pension fund managers to play a more active role in the selection and management of investments.
- vi. the creation of a single-entry point (4.3.3). This will ensure that capital market information is presented in a single place in a transparent and simple way, showing a description of the steps taken to obtain permits, consents, etc. and all relevant legislation in the field, the necessary forms etc. and contractual documentation in electronic format, with the possibility to file and sign documents electronically;
- vii. changes to the tax system (4.3.4); Strategy foresees to examine possible ways to ensure that the tax implications of issuance of financial instruments on the capital market and the bank borrowing should be similar. It is proposed to adapt tax policy in such a way as to better encourage long-term investments, including tax incentives to invest in ‘green’ and ‘socially responsible’ instruments.
- viii. establishing individual financial accounts for financial instruments (4.3.1). These accounts would enable the saver to trade financial instruments within the account under specific conditions which may be more favourable for tax purposes and subject to less administrative reporting.

The overall objective of the strategy is to achieve Emerging Market Status (EMS), which would have a positive impact on liquidity and trading volumes on the market through the inclusion of Slovenian instruments in various indexes.

These measures identified under these eight areas would support the market uptake of the European Capital Markets Union, as their implementation will increase the number of listed financial instruments, improve overall market capitalization, improve regulatory and tax framework and issuer and investor financial literacy and position Slovenian capital market among the visible, modern European capital markets.

With regards to the **establishment of contact points in the financial markets**, the strategy focuses on establishing contacts and dialogue with the institutions responsible for creating the indexes. Based on the action point no 2 in Chapter 4.1 of the Strategy (the Working Party shall prepare a gap analysis for the purposes of achieving EMS status and contact index providers (MSCI, S&P, FTSE)), the working group has been set up in May 2023 to perform the analysis of gaps that do not allow Slovenian market to be included in the emerging markets indexes. Ministerial decree directs the working group to engage with at least two providers (FTSE and MSCI) to agree on specific changes needed to close the current gaps. It further specifies that Slovenian Securities Market Agency and Ljubljana Stock Exchange should contact the EMS index providers (FTSE, MSCI and S&P) for the purpose of the group to obtain information on their requests for EMS status. (Article 2 of the decree no 402-3/2022/92). The EMS working group has already proceeded with its work, first meeting has been carried out on 29/06/2023 and the initial findings of the problems that do not allow Slovenia to be included in the indexes have been provided on 29 September 2023). The conclusion arising from this work is that the main problems are:

- the low market capitalisation and free circulation of shares of individual companies listed on the Ljubljana Stock Exchange,
- insufficient number of issuers with high market capitalisation and liquidity of shares,

Based on the work done, it is concluded that Slovenia is closer to meeting the FTSE criteria.

With regards to **establishing an effective online information system on FinTech and other financial services innovations**, the strategy foresees the establishment of the distributed ledger technology (DLT) based market, primarily for the SMEs to facilitate entry and cost reduction for them. This is in accordance with the action point under chapter 4.2.1 of the strategy (Analyse the legal and technical base and set up a new technical and operational platform for SMEs, with the introduction of an enhanced DLT-based in-built settlement procedure)

To achieve this, a working group has been established on 31 May 2023 within the Slovenian Ministry of Finance (MoF) to prepare a feasibility study and legal and regulatory gap analysis for the establishment of a DLT market infrastructures according to Regulation (EU) 2022/858. The decree establishing the working group foresees that it should conclude the analysis with the development of an indicative business plan to set up the digital platform (Article 2 of the decree). The working group has already started the work, holding its first meeting on 13 June 2023.

Slovenia has further prepared terms of reference to carry out a project with EBRD (Developing Fintech roadmap in Slovenia) that will support the work. The Terms Of References foresees EBRD to provide Slovenia:

- recommendations of how innovative technologies (such as Big Data analytics, Machine Learning, Artificial Intelligence (AI) and Distributed Ledger Technology (DLT) could benefit the Slovenian financial markets;
- propose legal and regulatory reforms surrounding the integration of FinTech within the Slovenian legal and regulatory framework, including but not limited to contractual legal matters (e.g. smart contracts, digital assets, rights in rem), reporting obligations (e.g. reports to investors, tax), payment services (e.g. bringing in crypto-assets, new payments models etc.);
- link the above with the efforts undertaken at the EU level and identify any regional synergies;

With regards to the **adaptation of existing measures**, the strategy foresees the review of all relevant legislation. The comprehensive review and proposed improvements to the legislation will ensure that

the regulatory framework becomes more efficient and transparent. The review will also address any gaps or shortcomings in the existing measures, promoting investor protection, market integrity, and overall stability.

As foreseen in the Council Implementing Decision, the strategy builds on the results of the SRSS project “Capital Market Enhancement and Development in Slovenia (CDMS)”. This was carried out by PricewaterhouseCoopers and BTA Consulting (PwC/BTA) in cooperation with the EC and with the active participation of the Securities Market Agency and the Ministry of Finance. This project provided a detailed analysis of the Slovenian capital market, followed by conclusions on the shortcomings, together with an action plan to address them.

In the Strategy, a selection between the CMDS project proposals was made to find the most appropriate measures in terms of impact, feasibility, and possibility of implementation.

Commission Preliminary Assessment: Satisfactorily fulfilled

A more productive economy for the digital and green transition

Number: 127	Related measure: A more productive economy for the digital and green transition	
Name of the Milestone: Entry into force of Implementing Regulation of the Investment Promotion Act		
Qualitative Indicator: Provision in the regulation indicating the entry into force of Implementing Regulation of the Investment Promotion Act		Time: Q2 2022
Context: The objective of this reform is to increase the productivity of the Slovenian economy by reorienting criteria for public investment support from job creation towards highly productive, sustainable, and digitally oriented business models and investments. Milestone 127 concerns the entry into force of Implementing Regulation of the Investment Promotion Act, which shall specify the criteria related to investments. Milestone 127 is the second and last milestone of the reform, and it follows the completion of milestone 126, related to the entry into force of the Investment Promotion Act		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. • Copy of the "Regulation amending the Regulation on the method of determining the conditions and criteria for granting investment incentives and the conditions for strategic investment" together with its annex, which is considered as the implementing regulation of the Investment Promotion (Uradni list Republike Slovenije, 25.2.2022 No 26) • Copy of the publication of the original "Regulation on the method of determining the conditions and criteria for granting investment incentives and the conditions for strategic investment" of 6 July 2018 "(Uradni list Republike Slovenije, 6.7.2018 No 47)		
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. Entry into force of Implementing Regulation of the Investment Promotion Act The Slovenian government adopted the implementing regulation on 24 February 2022 (by amending the existing regulation "Implementing regulation on the method of determining the conditions and criteria for granting investment incentives and the conditions for strategic investment"). The implementing regulation was published in the Official Gazette of the Republic of Slovenia (Number 26/2022, published on 25 February 2022) and based on Article 9 it entered into force on the day following its publication in the Official Gazette of the Republic of Slovenia, on 26 February 2022. The implementing regulations shall specify further the related criteria under the Investment Promotion Act, in particular with relation to energy efficiency, material efficiency, long-term integration of investment in the region, social responsibility, environmental impact of the investment.		

The implementing regulation specifies several criteria under the Investment Promotion Act. Article 5 of the regulation amends the Article 10 of the original regulation and defines the criteria to be used for assessing the applications for investment support. These criteria are: 1) Location of the investment in priority areas (6% of points); 2) Degree of technological complexity of the investment (10%); 3) Impact of the company and investments on the environment (15%); 4) Contribution of the investment in the transition to a circular economy, including pollution prevention and control (13%); 5) Contribution of the investment to the climate change mitigation (13%); 6) Contribution to local environmental responsibility and the decarbonisation of the transport sector (9%); 7) Compliance of the planned investment with the intended use of space specified in spatial documents (10%); 8) Effects of the investment on harmonious regional development (8%); 9) The contribution of a company to the digital transformation (10%); 10) Cooperation of the company with the local business ecosystem or the wider community (6%). Additionally, the applicants from the least/developed border problem areas receive 10% bonus. Each of these criteria are further specified in the annex I of the regulation which defines how the points are to be allocated.

Concerning **energy efficiency**, Article 2 of the Amendment (introducing new Article 7a, the paragraphs (1) and (2) of the Article 7.a) require that in the case of investment in an extension of the capacity or a fundamental change in the overall production process, energy consumption must be reduced by at least 10 %. In the case of investment in a new company or in diversification of the output of an existing company, it must be evident that purchased machinery and equipment comply with the highest energy standards or to the best available technology.

Concerning **material efficiency**, Article 2 of the Amendment (introducing new Article 7.a, the paragraphs (4) and (5) of the Article 7.a) requires that that in the case of investment in an extension of the capacity or a fundamental change in the overall production process, material consumption in the production of an existing product or process or service must be reduced by at least 10 %. In the case of investment in a new company or in diversification of the output of an existing company, it must be evident that purchased machinery and equipment comply with the highest energy standards or reference to the best available technology.

Concerning the **long-term integration of investment in the region**, (understood as investment that will be difficult to move out of the region due to its technological complexity and links to the other regional companies and wider community), criteria 2) Degree of technological complexity of the investment (10%) and 10) Cooperation of the company with the local business ecosystem or the wider community (6%) are applied.

Annex of the regulation, which contains the specific guidance for assessing the criteria, requires (point 2) that the highest marks should be given to companies with investments supporting activities with a high research and development intensity. Point 10 requires that the highest marks should be given to companies having partnerships with local companies, research, development and education institutions and promotes non-profit activities in its region.

Concerning the **social responsibility**, similarly the criterion 10 is applied, which requires cooperation with the wider community. Based on the annex of the regulation, point 10, companies receiving highest marks must demonstrate that they are working with and nurturing mutually beneficial relationships with local communities, promote non-profit activities and socially useful activities.

Concerning the **environmental impact** of the investment, criteria 3) Impact of the company and investments on the environment (15%), 5) Contribution of the investment to the climate change mitigation (13%) and 6) Contribution to local environmental responsibility and the decarbonisation of the transport sector (9%) are applied. Based on the annex of the regulation companies receiving

highest marks must demonstrate that they have an environmental certificate (ISO 14001 certification or EMAS) or registration obtained or will obtain a certificate or registration within two years of the completion of the investment, the investment has positive impact in at least 3 sub-areas of climate change mitigation and that is shown, they encourage employees to use transport with a lower carbon footprint, provide recharge points for zero-emission vehicles, organise logistics through clean and sustainable mobility and apply environmentally friendly measures to care for their surrounding, such as reducing or abandoning the mowing of grass, setting up hotels for insects, setting up apiaries, reforestation, using locally produced food, etc.).

Contribution of investment to the transition to a natural resource-based circular economy leading to lower greenhouse gas emissions and production with a lower carbon footprint. Concerning the transition to a natural resource-based **circular economy** leading to lower greenhouse gas emissions and production with a lower carbon footprint, criterion 4) Contribution of the investment in the transition to a circular economy, including pollution prevention and control (13%) is applied. Based on the annex of the regulation companies receiving highest marks must demonstrate that they meet at least 3 among the following requirements:

- a) more efficient use of natural resources, including a sustainable resource of biomass by reducing the use of primary raw materials or increasing the use of secondary raw materials or resource efficiency measures (except for energy efficiency), more effective soil management
- b) increased durability, extended use of products, reparability, upgradability, options for repurposing, reusability of products
- c) increased recyclability of products, including individual recyclability materials contained in these products, including by replacing or reducing the use of non-recyclable materials;
- d) significantly reduced content of hazardous substances and their substitution in materials, and products throughout their lifetime
- e) prevention or reduction of waste generation;
- f) reuse and recycling, ensuring that recovered materials are recycle as high-quality secondary raw materials in production, thus avoiding a reduction in the quality of the material during recycling;
- g) preventing or reducing emissions into the air of pollutants other than greenhouse gases, water or soil;
- h) treatment of urban, industrial or rainfall effluents or mixtures of waste water for reuse of treated water;
- i) changing the business model by offering services instead of a product.

Concerning the positive impact on local spatial development, compliance with the spatial planning documents and location in devalued area with appropriate earmarking or in an existing business zone criterion 7) Compliance of the planned investment with the intended use of space specified in spatial documents (10%) is used. Based on the annex of the regulation companies receiving highest marks must demonstrate that the investment will be located in a devalued area with appropriate zoning decision in place and that the investment will contribute to the rehabilitation of the area. In this case, full 10% of points are awarded. 7% of points will be awarded in case the investment is located in the existing business zone. 4% of points are awarded in case the investment is foreseen to be implemented in line with local development and spatial planning documents but does not improve degraded areas or take advantage of the existing business zones.

Effects of the investment on harmonious regional development

Concerning the effects of the investment on **harmonious regional development**, criterion 8) Effects of the investment on harmonious regional development (8%) and bonus criterion for the border problem areas are used. Based on the annex of the regulation companies receiving highest marks must demonstrate that the investment is located in the least-developed regions (*Pomurska, Primorska-Notranjska, Podravska, Zasavska, Koroška, Posavska*). The points allocated under this criterion are progressively reduced the more advanced the region is socioeconomically. 10 additional points are allocated in case the investment is located in a border problem area or in a municipality within the borders of Triglav National Park.

Commission Preliminary Assessment: Satisfactorily fulfilled

Support for decarbonisation, productivity, and competitiveness of companies

Number: 128	Related measure: Support for decarbonisation, productivity, and competitiveness of companies	
Name of the Milestone: Award of grants for projects to support regional development		
Qualitative Indicator: Communication of awards		Time: Q2 2022
Context: The measure aims to support the increase of the productivity of companies through the award of grants for projects complying with a specific set of environmental performance criteria, in particular energy and material efficiency. Milestone 128 requires the award of grants for projects to support regional development through investment in fixed tangible and intangible assets. The grants shall be awarded based on the Act on Promotion of Regional Development and in compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Milestone 128 is the first step of the investment and is followed by targets 131 and 132 which require the completion of projects to promote investment in manufacturing, services and research and development activities. The investment has a final expected date for implementation in 30 June 2026.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. List of recipients of grants with name of the company, its address, number of employees, project title, eligible cost and RRF co-financing; iii. Decisions by the Minister of Economic Development and Technology to grant awards to the projects, separate decisions for each project iv. Decisions by the Slovene Enterprise Fund to grant awards to the projects, separate decisions for each project v. Decisions by the Slovenian Regional Development Fund to grant awards to the projects, separate decisions for each project vi. Extract of the public invitations to tender, containing the selection criteria that ensure compliance with the “Do no significant harm” Technical Guidance (2021/C58/01), as specified in the CID Annex. vii. Link to the official publication of the call for tender “Co-financing initial investments to support investments to increase productivity, competitiveness, resilience and decarbonisation of the economy in disadvantaged border areas” viii. Uradni list Republike Slovenije 1632/22, p. 722 Link to the official publication of the call for tender “Incentives to co-finance initial investments in less developed areas” ref. no 4300-4/2022/11 Uradni list Republike Slovenije 1659/22, p. 706 ix. Link to the official publication of the call for tender “Incentives for co-financing initial investments in disadvantaged border areas” ref. no 3021-1/2023-SRRS/8 Uradni list Republike Slovenije 2267/23, p. 1084 x. Template of the Action Plan for the Environmentally responsible management xi. Standard co-financing agreement		
Analysis:		

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Award of grants for projects to support regional development through investment in fixed tangible and intangible assets.

In order to support regional development through investment in fixed tangible assets and intangible assets, the Ministry of Economic Development and Technology, Slovene Enterprise Fund and Slovenian Regional Development Fund launched public invitations to tenders with the objective to increase the productivity and long-term competitiveness of enterprises in the eligible areas while ensuring sustainable development and decarbonisation. The calls for tender have been published in the official journal and on the institutions home pages. Links to the Official Journal have been presented as evidence. All calls are based on the Act on Promotion of Regional Development. Based on the evidence provided, **the first call** for the companies to participate in the tender (*Initial investments to improve productivity, competitiveness, resilience and decarbonisation of the economy in border problem areas*), was published in Official Gazette of the Republic of Slovenia No 29/2022 of 4 March 2022 (1659/22) and on the Ministry website. Grants were awarded to 36 projects totaling EUR 12 201 689,55. The decisions awarding the grants have been provided as evidence and in addition, a list of these projects has been provided separately as a single document. The projects under the call for proposals for the co-financing of initial investments to support investments to improve productivity, competitiveness, resilience and decarbonisation of the economy in border problem areas were selected on the basis of the State aid scheme 'Regional State Aid Scheme' (Scheme No: BE02-2399245-2014, BE02-2399245-2014/I, BE02-2399245-2014/II, BE02-2399245-2014/III, and BE02-2399245-2014/IV).

The second call (*Incentives to co-finance initial investments in less developed areas*) was published by the Slovenian Enterprise Fund (SEF) in Official Gazette of the Republic of Slovenia No 29/2022 of 4/3/2022 (Ob-1632/22) and on the ministry website. Grants were awarded to a total of 121 projects amounting to EUR 19 531 282,50. All decisions awarding the grants have been sent as evidence and in addition, a list of these projects has been provided separately as a single document.

The third call "Incentives for co-financing initial investments in disadvantaged border areas" was published in Official Gazette of the Republic of Slovenia No 57 of 19/5/2023 (2267/23), organised by the Regional Development Fund of Slovenia (SRSS). The SRSS announced the results of the tender on 27 September 2023, selecting 57 projects. All decisions awarding the grants have been sent as evidence and in addition, a list of these projects has been provided separately as a single document.

This confirms that the authorities have selected the projects which will enable to fulfill targets 131 and 132.

The projects shall be awarded based on the Act on Promotion of Regional Development and in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

Concerning the compliance with the DNSH Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation, the evidence provided (tender documents and extract of these provided as an Annex 4 to the summary document) demonstrates that compliance with the DNSH Technical guidance was included among the eligibility criteria in the calls for tenders. The eligibility criteria considered both the direct environmental impact of the activity and the environmental effects of the products and

services offered throughout their life cycle. This encompassed aspects like production, usage, and the end-of-life of the products and services. The eligibility criteria outlined in the tenders stipulated that only activities in compliance with the relevant EU and national environmental legislation are eligible, and that the following activities were excluded: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS), unless the projected emissions are significantly lower than the relevant benchmarks established for free allocation⁴; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment.

The tender criteria submitted by the authorities demonstrate that compliance with the aforementioned EU and national legislation, as well as with the exclusion list has been ensured at the level of the project selection.

The selected projects promote development in problem border areas, in line with the Regional Development Act, the Decree on the Implementation of Endogenous Regional Policy Measures and the Development Incentives for Border Problems Programme. Co-financing of initial investment by firms will increase investment in border problem areas with higher value added, contributing to increasing productivity and long-term competitiveness of businesses in these areas, while ensuring the sustainability or decarbonisation and digitalisation of business. Co-financing of selected investments will increase the number of new jobs with higher added value, thus contributing to a better regional balance.

Furthermore, in line with the description of the measure, **in order to ensure that the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use⁴ ; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks⁵ ; (iii) activities related to waste landfills, incinerators⁶ and mechanical biological treatment plants⁷ ; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.**

The justification used for assessing the fulfilment of the preceding requirement equally applies to the assessment of this requirement.

Furthermore, in line with the description of the measure, **the co-financing agreement shall commit the beneficiaries to the use of additional measurable sustainability targets that shall have to be achieved at the completion of the investment.** All tenders required (Section 9 of tender 1, section 12 of tender 2, section 1.3 of tender 3) that each application contains an Eco-responsible Management Action Plan. During the tender evaluation, the assessment committee scrutinised the contents of the Eco-responsible Management Action Plan, the technical and technological documentation provided and the declarations from the equipment providers (manufacturers). The evidence provided includes the template of the Action Plan which demonstrates that the action plans include measures for the prevention and control of air, water and soil pollution, reduction of use of harmful substances (section 2.1), measures to promote circular economy, recycling or reuse of raw materials (section 2.2, 2.3), lower energy consumption (2.4), sustainable use of water resources (2.5), climate change mitigation and adaptation (2.5). In each of those sections, the applicants had to set their objectives and define actions, with the due date on 29.10.2025 at the latest. The provided standard co-financing contract (Article 6) stipulates that the beneficiary shall be entitled to receive the funds only if it implements

⁴ Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447

the project substantially in accordance with the Environmentally Responsible Management Action Plan submitted by the beneficiary as part of the application to the call for tenders.
Commission Preliminary Assessment: Satisfactorily fulfilled

Providing innovative ecosystems of economic and business infrastructure

Number: 133	Related measure: Providing innovative ecosystems of economic and business infrastructure	
Name of the Milestone: Award of grants for innovative business infrastructure ecosystems		
Qualitative Indicator: Communication of awards		Time: Q2 2022
Context:		
The measure aims to increase the competitiveness of the economy through awarding grants for the development of business infrastructure. The supported projects should support regional development, prioritise the re-use of degraded sites and have close links to public transport and road connections. The objective of the investment is also to strengthen the competitiveness of the value chains through creating innovative ecosystems. Milestone 133 requires the award of grants for projects that support the development of economic business infrastructure. Projects selected shall support regional development and shall prioritise the re-use of degraded sites and close links to public transport and road connections. Milestone 133 is the first milestone for this investment, followed up by the target 134 “Completed projects for the innovative business infrastructure ecosystems” (12 projects).		
Evidence provided:		
i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. List of grants awarded, containing the names and addresses of the municipalities who received the grants, also information about the total cost of the project and the amount of grant awarded iii. Tender documentation for ‘Supporting innovative ecosystems of economic and business infrastructure, Reference 4300/2/2022/7 iv. Explanation by the Ministry of Cohesion and Regional Development of how selected projects supporting regional development and prioritise the reuse of degraded sites and close links to public transport and road connections v. Link to the Official Journal of the Republic of Slovenia (Uradni list Republike Slovenije) which contains the publication of the call for tender for the selection of projects (Issue 26, January 25 2022 p 469) vi. Decisions to award grants to business zone development projects (13) a.		
Analysis:		
The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.		
Award of grants for projects to support the economic and business infrastructure		
Public tender (Reference: 4300-2/2022/7 Public call for tenders to support innovative ecosystems of economic and business infrastructure) to select the projects to meet this milestone was published in the Official Journal on 25 January 2022, as proved by the link to the Official Journal website where the publication can be downloaded. Project selection was carried out and 13 projects were selected for co-financing. Grants were awarded on 2 December 2022 and the Commission was provided with the list of recipients, including their addresses and the amount of funds awarded. All the recipients were local municipalities. Decisions to award the grants for each project have been provided as evidence.		

The selected projects shall support the development of economic business infrastructure. According to the public tender document (Reference: 4300-2/2022/7), the purpose of the awarded funding is to develop transport infrastructure, energy infrastructure, telecommunications infrastructure and water infrastructure of the economic and business zones (Chapter 4 of the tender document).

Projects shall support regional development

Based on the tender document (Reference: 4300-2/2022/7), the whole area of Slovenia was eligible, i.e. all Slovenian municipalities were able to participate in the call. The requirement to support regional development was operationalised through chapter 15, selection criterion 7 “Contribution to harmonious regional development” which awarded 10 additional points (out of 105) to the projects located in the least developed areas, the so-called border problem areas as defined in Slovenian national decree on the designation of border problem areas. Based on the list of the projects and addresses provided, it can be concluded that projects of Celje, Velenje, Beltinci, Črnomelj, Gornja Radgona, Hoče-Slivnica, Mirna Peč and Ribnica are located in the Eastern Cohesion region, Slovenias less developed part. Municipality of Črnomelj is located in the border problem priority area. Based on this, it can be concluded that the grants awarded are expected to support regional development.

Projects shall prioritise the re-use of degraded sites

Based on the tender document chapter 15, selection criterion 4 “Sustainable use of the space” 15 additional points (out of 105) were awarded to the projects in degraded areas, defining theses as underexploited or abandoned areas with a visible impact of previous use and reduced useful value.

Projects shall prioritise close links to public transport and road connections, limiting the need for substantial investments into new urban and transport infrastructure

Based on the tender document chapter 15, selection criterion 5 “Average accessibility to the nearest connection on a motorway or expressway 15 additional points (out of 105) were awarded to the projects with less than 15 minutes access to the motorway. In case the access took longer, the points awarded were reduced. The analysis presented in the summary document confirms that all selected projects are linked to roads and other infrastructure. This analysis includes detailed information about the measures foreseen in the selected projects to encourage sustainable and public transport in each zone (building of bike lanes, building of bus stops in business zones, parking spaces and electricity infrastructure for electric cars). The data presented in the summary document shows that bus and/or train stations are in the vicinity of almost all projects.

Furthermore, in line with the description of the measure the investment should further develop existing business zones and degraded areas into business infrastructure

Based on the tender document (section 9.2), point 3, two categories of projects were eligible: 1) Design, upgrade or extension of an existing business zone and 2) Installation of the business zone in a degraded area.

Furthermore, in line with the description of the measure, the selected projects should strengthen the value chains in various economic sectors and contribute towards the objectives of the Smart Specialisation Strategy

This requirement is understood as creating conditions for the creation of clusters, i.e. areas where companies in the same industry work in close proximity to each other, thereby creating conditions to exchange ideas, people and trade with each other. Based on the tender document chapter 15, selection criterion 6 “Specialisation of the Business Zone” 10 additional points (out of 105) were awarded to the projects in case the zone is highly specialised (e.g. automotive, electronics, etc). Full amount of points was awarded in case 60% of the enterprises in the business zone carry out an economic activity within the same category of the standard classification of activities. Slovenian Smart

Specialization Strategy⁵ defines automotive industry as one of the priorities (Chapter 3.3.8) and electronic are covered in Chapter 3.3.2 Horizontal network of information and communication technologies.

Commission Preliminary Assessment: Satisfactorily fulfilled

⁵ [Implementation and renewal of the Slovenian Smart Specialisation Strategy - from S4 to S5 | GOV.SI](#)

Faster entry of young people into the labour market

Number: 144		Related measure: Faster entry of young people into the labour market	
Name of the target: Number of additional young people in subsidised employment on the basis of an open-ended contract			
Quantitative Indicator: Number	Baseline: 0	Target: 700	Time: Q4 2022
Context: The objective of the investment is to reduce youth unemployment by subsidising hiring young people up to and including 29 years of age on open-ended contracts. During a subsidy period of 18 months, young people are expected to acquire the additional competences to exercise the profession and enhance their theoretical knowledge with work experience. Target 144 concerns the number people up to and including 29 years old in subsidised employment under mentorship for up to 18 months on the basis of an open-ended contract Each young person and their mentor shall complete at least 30 hours of training, with a focus on improving digital skills. Target 144 is the first step of the implementation of the investment and it will be followed by the target 145 with a baseline of 700 and the target of 4,000. The investment has a final expected date for implementation by the end of 2024.			
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence (CN C10-IC-T144 oct.docx, Ministry of Labour, Family, Social Affairs and Equal Opportunities, 18 October 2023) ii. A list of newly concluded grant contracts and access to underlying data and copies of the grant contracts (Annex 4 – The list of 700 grant contracts indicating the numbers of contracts with employers and employees_09102023.xlsx, Ministry of Labour, Family, Social Affairs and Equal Opportunities, 20 October 2023). Access to the underlying data and copies of the grant contracts is available per request. COM services requested and received underlying data and copies of the grant contracts for a sample of 60 contracts. iii. Statistics on the beneficiaries, including the type and length of training received (Annex 3 – statistics_09102023.docx, Ministry of Labour, Family, Social Affairs and Equal Opportunities, 20 October 2023) The authorities also provided: iv. Annex 1 – an example of an employment contract of an individual.pdf (Ministry of Labour, Family, Social Affairs and Equal Opportunities, 20 October 2023) v. Annex 2 – an example of a grant contract with the company.pdf (Ministry of Labour, Family, Social Affairs and Equal Opportunities, 20 October 2023) vi. Underlying documents as requested for the sample selected by the Commission services, including the following: • Grant contracts between the Employment Service of Slovenia and the employer • Measure contracts between the Employment Services of Slovenia and the employee • Employment contracts between the employer and the employee • Extracts from the Health Insurance Institute of Slovenia database, proving that the employees were in employment with the employee at the time of the submission of the payment request to the Commission services			

- Training certificates attesting to the quantity and type of training received by the employees
- Training certificates attesting to the quantity and type of training received by the mentors

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Number of young people up to and including 29 years old in subsidised employment on the basis of an open-ended contract.

The Employment Service of Slovenia published two calls for tenders/interest, inviting employers and young unemployed to participate in the scheme:

- on 29 July 2022 (closed on 31 January 2023)
https://www.ess.gov.si/fileadmin/user_upload/Delodajalci/Javna_povabila/JP_Zaposlovanje/Hitrejsi_vstop_mladih/Javno_Povabilo_HVMTD.pdf and
- on 1 February 2023 (ongoing; deadline for applications is 31 October 2023; deadline for starting the employment is 1 December 2023)
https://www.ess.gov.si/fileadmin/user_upload/Delodajalci/Javna_povabila/JP_Zaposlovanje/Hitrejsi_vstop_mladih/Besedilo_2_javno_povabilo_Hitrejsi_vstop_mladih.pdf

The list of selected employers is available on the Employment Service of Slovenia website:

- First call: in total 744 employers, with some employing more than one person
https://www.ess.gov.si/fileadmin/user_upload/Delodajalci/Javna_povabila/JP_Zaposlovanje/Hitrejsi_vstop_mladih/Seznam_izbranih_ponudb_HVMTD.pdf
- Second call: 602 employers by 16 October 2023, with some employing more than one person
https://www.ess.gov.si/fileadmin/user_upload/Delodajalci/Javna_povabila/JP_Zaposlovanje/Hitrejsi_vstop_mladih/Seznam_izbranih_ponudb_HVMTD_2.pdf

Slovenian authorities submitted a list of 700 (target value) contracts between the Employment Service of Slovenia and persons included in the active employment policy measure *Faster entry of young people into the labour market*. The contracts were assigned a unique identifier. Commission services have, based on internal methodology, selected a random sample of 60 contracts from evidence 2 to be checked in detail for compliance and contribution to the target value of target 144.

In the sample of 60 participants checked by the Commission services, there were no persons above this age limit of 29.

According to both calls for tenders/interest (section 12 in the first call and section 13 in the second), the monthly subsidy for the employer taking on board the target group person ranges between €300 and €420 per month, depending on the education level of the employee, duration of prior unemployment and enrolment of the employee in voluntary complementary pension scheme.

These amounts are reflected in Article 5 of the *Measure contract between the Employment Services of Slovenia and the employee* (evidence 6.b) and in Article 5 of the *Grant contract between the Employment Service of Slovenia and the employer* (evidence 6.a), where the exact amount of the subsidy is determined.

In the sample of 60 participants checked by the Commission services, all verified employees and their respective employers had signed the above-mentioned contracts with the Employment Service of Slovenia.

According to both calls for tenders/interest (section 12 in the first call and section 13 in the second), the first subsidy is paid only after the employer submits to the Employment Service of Slovenia the copy of the employment contract with the target group person.

According to both calls for tenders/interest (section 2), the monthly employment contract must be open-ended (indefinite/permanent). In the sample of 60 participants checked by the Commission services, all verified employment contracts were open-ended.

Subsidies shall be provided for up to 18 months per employment.

According to both calls for tenders/interest (section 12 in the first call and section 13 in the second), the monthly subsidy is paid out for 18 consecutive months. These provisions are reflected also in Article 3 of the *Measure contract between the Employment Services of Slovenia and the employee* (evidence 6.b), which provides that the obligations laid down in this contract are in place at least for 18 months since the start of the employment. Similarly, Article 2 of the *Grant contract between the Employment Service of Slovenia and the employer* (evidence 6.a) lays down the activities the employer has to carry out for at least 18 months in order for the objective of the contract to be achieved.

In the sample of 60 participants checked by the Commission services all verified employees and their respective employers had signed the above-mentioned contracts with the Employment Service of Slovenia. Furthermore, all 60 persons were in employment with the respective employers at the time Slovenian authorities submitted the underlying data (extracts from the national Health Insurance Institute from 11 and 12 October – evidence 6.d).

Employers shall ensure a mentor to support the young person.

According to both calls for tenders/interest (section 6.2.17 in the first call and section 7.2.17 in the second), the employer must ensure an adequate mentor that will monitor the newcomer during the 18-month period, provide support and introduce the person to the specific work post. The mentor must have at least 3 years of work experience, but employers are encouraged to designate older, more experienced workers, to promote cross-generational cooperation. The employer must designate the mentor before the start of the new employment. Mentor's declaration, including the information on work experience and the acknowledgment of the upcoming obligations, is a mandatory part of the tender. The obligation to provide a mentor is also included in Article 2 of the *Grant contract between the Employment Service of Slovenia and the employer* (evidence 6.a).

Each young person and their mentor shall complete at least 30 hours of training, with a focus on improving digital skills, during the subsidy period.

According to both calls for tenders/interest (section 12 in the first call and section 13 in the second), both the employee and the mentor must receive training or education of at least 30 hours. The employer must provide training or education to both, normally during working hours and submit the relevant training or education certificates on the Employer Portal. The cost must not be borne by the persons concerned, but they may be included in free training and education.

In the Mentor's declaration (annex to the tender), the future mentor declares to take part in at least 30 hours of education or training with the aim of acquiring additional competencies. This education

or training is to take place during the period of the subsidised employment with an external provider, specifically registered to carry out such activities.

Article 2 of the *Grant contract between the Employment Service of Slovenia and the employer* (evidence 6.a) obliges the employer to ensure that the mentor and the employee receive at least 30 hours of education or training.

Article 6.6 of the *Measure contract between the Employment Services of Slovenia and the employee* (evidence 6.b), obliges the participant (employee) to participate in at least 30 hours of education or training during the period of subsidised employment.

According to the Council Implementing Decision, the training must be completed within 18 months. It should be stressed that the first call for tenders was published in July 2022 and the second one in February 2023. This means that all the contracts were at the time of the submission of the payment request still ongoing, with the longest-lasting employment contracts in the Commission's sample starting in September 2022 and the shortest ones in March 2023. In the sample of 60 contracts checked by the Commission services in 17 cases both the employee and the mentor have already fully fulfilled the training obligation at the time of the submission of the supporting documents. In the remaining cases the obligations remain to be fully fulfilled until the end of the 18-month subsidy period.

According to the statistical overview provided by the Slovenian authorities (evidence 3), at the time of the official submission of the summary documents to the Commission, 70% of participants and 70% of mentors have received 30 hours of training, whereas 73% and 72% have received at least some training, respectively. For those that received training, 45% of employees received at least some training in digital contents, whereas this share is 42% for mentors.

The target in the Council Implementation Decision is further specified in the Operational Arrangement, which requires that the **Employment Service of the Republic of Slovenia checks the continuation of employment after the end of the subsidy period, as follows: Day 30, 12 months and 18 months.**

The mechanism is not yet in place, as no subsidy period has been finalised yet.

Commission Preliminary Assessment: Positive assessment

Sustainable development of Slovenia's tourist accommodation offers to raise the added value of tourism

Number: 150	Related Measure: Sustainable development of Slovenia's tourist accommodation offers to raise the added value of tourism	
Name of the Milestone: Award of grants for increasing the energy efficiency of tourist accommodation		
Qualitative Indicator: Communication of awards		Time: Q4 2022
Context: The objective of this investment is to support sustainable tourism by funding energy-efficient upgrades to tourist facilities, including mandatory training in quality of the service and digital skills, marketing research and economic analysis. Milestone 150 concerns granting funds to improve the energy efficiency of tourist accommodations.. Milestone 150 is the first step in the implementation of the investment, and it will be followed by targets 151 , related to completed energy renovation projects for increasing the energy efficiency of tourist accommodations, and target 152, related to completed construction or full reconstruction projects for increasing the energy efficiency of tourism accommodation. The investment has a final expected date for implementation on 30 June 2026.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: - i.Summary document duly justifying how the milestone was fulfilled with appropriate links to the underlying evidence. - ii.Official decision awarding the grants to the selected recipients with a list of the of the awards on the website of the Ministry https://www.gov.si/assets/ministrstva/MGTS/Dokumenti/DTUR/Javni-razpis-za-sofinanciranje-vlaganj-v-nastanitveno-turisticno-ponudbo-za-dvig-dodane-vrednosti-turizma-NOO-nastanitvene-kapacitete/Seznam-prejemnikov-sredstev-_JR-nastanitvene-kapacitete-NOO_31.8.2023.pdf; - iii.the reference and link to the website of the Ministry where the list of the grants has been published (https://www.gov.si/assets/ministrstva/MGTS/Dokumenti/DTUR/JR-nastanitvene-kapacitete/Tretja-sprememba/RD-nastanitvene-kapacitete_4.8.2023.pdf) and to the call for co-financing and all its changes (https://www.gov.si/zbirke/javne-objave/javni-razpis-za-sofinanciranje-vlaganj-v-nastanitveno-turisticno-ponudbo-za-dvig-dodane-vrednosti-turizma/) on the government website containing the selection criteria used to ensure that new buildings' primary energy demand is at least 20 % lower than requirement for nearly zero energy buildings; - iv.Copy of a report on the evaluation of applications (07/08/2023 Reference: 4300-8/2022/1238) by the Commission of Experts in charge of evaluating the applications for the Ministry of the Economy, Tourism and Sport. The authorities also provided: - v.Copy of a declaration form to be signed by applicants on the fulfilment of the specifications of the call for co-financing prepared by the Ministry of the Economy, Tourism and Sport.		
Analysis:		

The justification and substantiating evidence provided by the Slovenia authorities covers all constitutive elements of the milestone.

Grants for increasing the energy efficiency of tourist accommodation shall be awarded.

The Ministry of the Economy, Tourism and Sport published a public call for co-financing of investments in tourist accommodation to increase the added value of tourism, on 27 September 2022. There were three changes to the public call for co-financing on 21 October 2022, 17 March 2023 and 4 August 2023 (see: call for co-financing and subsequent changes). The projects to be financed by the call are meant to support the refurbishment, extension, or construction of tourist facilities in line with high energy-efficiency standards. The deadline for first round of applications was 19 December 2022 and 98 applications were received. On 7 August 2023, the members of the commission of experts in charge of the evaluation of the applications to the public call approved the selection of applications on the basis of the evaluation carried out (see Report on the evaluation of applications). On 31 August 2023, the grants were awarded to beneficiaries and a list of beneficiaries has been published on the website of the Ministry. The Ministry awarded grants for 25 projects for Lot 1 - completed renovations and 33 projects for Lot 2 - construction of new accommodation facilities (see list of beneficiaries).

The selected projects shall comply with the conditions set out in the Decree on Development Incentives for Tourism.

All the applicants had to comply with the conditions set out in the Decree on Development Incentives for Tourism (milestone 149) (see copy of call for co-financing), in particular:

- After completion, the project must obtain an energy certificate of at least class B, as determined by the law (see chapter 6.2.1 of call for co-financing),
- New buildings will have to be nearly zero-energy buildings in accordance with the law governing the efficient use of energy, and comply with the additional condition that energy consumption in new buildings is at least 20% less than the requirements for nearly zero-energy buildings (see chapter 6.2.1 call for co-financing),
- the project must comply with the conditions of the Natura 2000 area, if the project sits in this area (see chapter 6.2 call for co-financing),
- within two years after the implementation of the project, it is necessary to obtain one of the internationally recognized environmental signs (see chapter 6.2 call for co-financing),
- the project must be carried out in accordance with the principle of DNSH (see chapter 6.2 call for co-financing).

All selected project comply with the requirements above (see Report on the evaluation of applications).

New buildings shall ensure that their primary energy demand is at least 20 % lower than requirement for nearly zero energy buildings. Furthermore, in line with the description of the measure, the investment shall support the refurbishment, extension, or construction of tourist facilities in line with high energy-efficiency standards.

The call requires that all the applicants had to comply with the condition that new buildings will have to be nearly zero-energy buildings in accordance with the law governing the efficient use of energy, and comply with the additional condition that energy consumption in new buildings is at least 20% less than the requirements for nearly zero-energy buildings (see chapter 6.2.1 call for co-financing).

After completion, the project must be in line with high energy-efficiency standards: every project shall obtain an energy certificate of at least class B (see chapter 6.2.1 of call for co-financing) and within two years after the implementation of the project, it is necessary to obtain one of the internationally recognized environmental signs (see chapter 6.2 call for co-financing).

All the selected project comply with the requirements above (see Report on the evaluation of applications).

At least 50 % of the eligible costs of renovation or new construction shall relate to energy efficiency improvements. The call requires that all the projects should have at least 50 % of the eligible costs of renovation or new construction related to energy efficiency improvements. (chapter 6.2 call for co-financing). Moreover, in chapter 21 of the call for co-financing, it is also stated that at completion of the investment, the beneficiary should demonstrate that 50% of the costs related to energy efficiency improvement. This condition was also included in the form that applicants had to submit with their application to co-financing (see Declaration form to be signed by applicants on the fulfilment of the specifications of the call for co-financing). All selected project comply with the requirements above (see Report on the evaluation of applications). Projects shall also include mandatory training in quality of service and digital competences for staff and managers, marketing research, and economic analysis. The call for co-financing requires that the projects must include a training and education program for managers and staff (see chapter 6.2 call for co-financing and chapter 11.2.2). This condition was also included in the form that applicants had to submit with their application to co-financing (see Declaration form to be signed by applicants on the fulfilment of the specifications of the call for co-financing). Commission Preliminary Assessment: Satisfactorily fulfilled

Sustainable restoration and revitalisation of cultural heritage and public cultural infrastructure

Number: 154	Related Measure: Sustainable restoration and revitalisation of cultural heritage and public cultural infrastructure
Name of the Milestone: Award of grants for renovation of cultural heritage sites	
Qualitative Indicator: Communication of awards	Time: Q4 2022
Context: The measure aims to support the renovation, restoration, overall revitalisation and modernisation of cultural heritage and public cultural infrastructure owned by the state or municipalities. Projects are expected to have a multiplier effect on tourism development and they shall include digitalisation and use of ICT technology. Milestone 154 concerns the selection of the projects for renovation of cultural heritage sites owned by the state and municipalities. For cultural heritage sites owned by municipalities, the award of grants follows a call for proposals. Milestone 154 is the first step of the implementation of the investment and it will be followed by target 155 related to the completed renovation of the cultural heritage sites selected. The investment will be completed by 30 June 2026.	
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, ii. For the cultural monuments owned by municipalities, copy of call for proposals and list of beneficiaries and the allocated amounts to each beneficiaries (https://www.gov.si/zbirke/javne-objave/javni-razpis-za-sofinanciranje-projektov-trajnostne-obnove-in-ozivljanja-kulturnih-spomenikov-v-lasti-obcin-ter-vkljucevanje-kulturnih-doizvetij-v-slovenski-turizem-iz-sredstev-za-izvajanje-nacionalnega-nacrta-za-okrevanje-in-odpornost/) to the website of the Ministry of Culture) , iii. For the cultural monuments owned by the State, copy of the programme of investments activities for chosen projects (https://www.gov.si/assets/ministrstva/MK/SKP/Novelacija_programa_investicijskih_aktivnosti_2023-04-21.pdf) to the website of the Ministry of Culture), with a project description, size and period for implementation (Document no- 4111-4/2022-3340-10 of 21 April 2023). The authorities also provided: i. Copy of a Decree amending the Decree on green public procurement (Official Gazette of the Republic of Slovenia No 121/21 of 23 July 2021). ii. Copy of a ICOMOS Report on Cultural Heritage for Achieving the Sustainable Development Goals. https://openarchive.icomos.org/id/eprint/2453/13/ICOMOS_SDGPG_2022%20-%20FINAL3.pdf iii. Copy of a Contract sample for monuments owned by the State (not relevant for the assessment) iv. Copy of a Samples of contracts with successful tenderers (not relevant for the assessment)	

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Selection for renovation of at least 15 cultural heritage sites

Award of grants refers to the selection for renovation of the 15 cultural heritage sites owned by municipalities and the state and 18 projects have been selected.

12 cultural heritage sites owned by municipalities were selected following a call for proposals and the grants have been awarded to municipalities.

6 cultural heritage sites owned by the state were selected in a programme of investment activities by the Ministry of Culture.

Selection for renovation of the cultural heritage sites owned by municipalities

The Ministry of Culture published on 04 March 2022 a public call for proposals for co-financing projects of sustainable restoration and revitalization of cultural monuments owned by municipalities.

The tender was closed on 04 April 2022 and the list of approved projects was published (see list of approved projects). 12 projects have been approved for a total RRF co-financing of EUR 16 167 278.5.

Moreover, 9 additional projects have been included in a reserve list.

Selection for renovation of the cultural heritage sites owned by the state.

The Ministry of Culture selected cultural heritage sites owned by the state through a programme of investment activities to be financed by the RRF published on 21 April 2023.

The programme includes 6 projects for renovation of cultural heritage sites for a total RRF co-financing of EUR 25 832 721.5.

Furthermore, in line with the description of the measure, **the investment consists in support to renovation, restoration, overall revitalisation and modernisation of cultural heritage and public cultural infrastructure owned by the state or municipalities with an expected multiplier effect on tourism development.**

For the cultural heritage sites owned by the municipalities, among the other conditions, the call for proposals published by the Ministry of Culture for co-financing projects of sustainable restoration and revitalization of cultural monuments requires that the projects must have a multiplier effect on increasing the attractiveness of the entire destination, as well as Slovenia's reputation in the field of cultural heritage, culture and tourism, and should encourage tourist visits to the destination (paragraph 4.3 of the call for proposals).

For the cultural heritage sites owned by the state, the projects selected by the Ministry of Culture, through a programme of investment activities, had to comply with the obligation to have a multiplier effect on the development of tourism and the economy at local and national level and to raise the attractiveness of the destination and reputation.

Furthermore, in line with the description of the measure, **projects shall include digitalisation and use of ICT technology to promote and interpret cultural heritage.**

Among other conditions, the call for proposals published by the Ministry of Culture for co-financing projects of sustainable restoration and revitalization of cultural monuments owned by municipalities requires that at least 5 % of the eligible costs of the project must be devoted to digitalisation and use of ICT to promote the cultural heritage (paragraph 4.2 of the call for proposals).

In addition, the projects selected by the Ministry of Culture related to cultural heritage sites owned by the State, selected through a programme of investment activities, followed an eligibility check that ensured that they comply with a number of requirements including that digitalisation and ICT investments are included in the project.

Commission Preliminary Assessment: Satisfactorily fulfilled

Pilot projects for higher education reform for a green and resilient transition

Number: 160	Related measure: Pilot projects for higher education reform for a green and resilient transition	
Name of the Milestone: Completed selection of pilot projects for the renewal of the higher education process		
Qualitative Indicator: Communication of results		Time: Q2 2022
Context: The objective of this investment is to prepare higher education to meet the rising demand for skills aligned with evolving societal needs. It involves pilot projects incorporating green and digital skills and supporting the modernization of professional study programs to align with future professions and labour market demands Milestone 160 concerns the selection of pilot projects for the renewal of higher education. Such projects are aimed at improving labour market outcomes by integrating digital and sustainable development competences in higher education curricula. The milestone is the first step of the implementation of the investment and it will be followed by the target 161, related to the <i>Completed pilot projects for the renewal of the higher education process</i>. The investment has a final expected date for implementation in the last quarter of 2025.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence (Ministry of Higher Education, Science and Innovation, 18 October 2023); ii. A list of chosen projects with a project description and period for implementation (Annex 2 of the summary document, Ministry of Higher Education, Science and Innovation, 18 October 2023); iii. A list of official references of contracts signed with chosen contractual counterparts (Annex 2 of the summary document, Ministry of Higher Education, Science and Innovation, 18 October 2023). Contracts: a. C3330-22-953013 for the co-financing of a project “UL for a sustainable society (ULTRA)”; total 11 pilot projects; b. C3330-22-953012 for the co-financing of a project “Proposal of pilot projects of the University of Maribor for a green and resilient transition to Society 5.0”; total 23 pilot projects; c. C3330-22-953001 for the co-financing of a project “Green, Digital and Inclusive University of Primorska”; total 3 pilot projects; d. C3330-22-953000 on the co-funding of a project "Advancing computer skills"; pilot project of the Faculty of Information Studies Novo mesto; iv. Justification that the technical specifications of the chosen projects are fully aligned with the description, criteria and conditions as set out in the milestone/target and of the description of the investment in the Council Implementing Decision (Annex 2 of the summary document, Ministry of Higher Education, Science and Innovation, 18 October 2023). The authorities also provided: v. A link to the Call for Proposals for the project Pilot Projects for the Renewal of Higher Education for a Green and Resilient Transition (hereafter: Call for project proposals, Ministry		

	of Education, science and sport, 15 June 2022) (https://www.gov.si/zbirke/javne-objave/poziv-za-oddajo-vloge-za-projekt-pilotni-projekti-za-prenovo-visokega-solstva-za-zelen-in-odporen-prehod-2/); vi. A link to the Guidelines for the renewal of professional higher education, with a proposal for an implementation plan (hereafter: Guidelines, Ministry of Education, science and sport, 15 June 2022); (https://www.gov.si/assets/ministrstva/MIZS/Dokumenti/Visoko-solstvo/Javni_razpisi/NOO_poziv_reforma/2022-06-14_Smernice_v1-3.pdf) vii. Annex 1 of the summary document: <i>Explanation of the Council Implementing Decision requirement for milestone 160</i> (Ministry of Higher Education, Science and Innovation, 18 October 2023).
	Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. The beneficiaries shall be public higher education institutions. All four beneficiaries (University of Ljubljana, University of Maribor, University of Primorska and the independent higher education institution Faculty of Information Studies in Novo mesto) are public higher education institutions (see Annex 2 of the summary document – evidence ii). Furthermore, the Call for project proposals, published on 16 June 2022, was of closed type, directly addressing all five public higher education institutions in Slovenia carrying out professional higher education programmes. From the five submitted project applications, however, one application was rejected due to insufficient quality. Pilot projects shall test solutions for integrating digital and sustainable development competences in higher education curricula with the aim of improving labour market outcomes. According to the Call for project proposals (section 2.1), the goal of the call is to carry out at least 30 pilot projects (38 actually selected) addressing the acquisition of digital and sustainable competencies, carried out by public higher education institutions, by 31 December 2025, with the aim of modernising 68 curricula of professional higher education programs. This approach should prepare the higher education for the increased demand for knowledge and skills reflecting new societal needs by developing and implementing more inclusive pedagogical approaches. Section 4.B.II of the Call for project proposals further defines the contribution to the green and digital transitions, by specifying “The pilot projects, carried out in accordance with the <i>Guidelines</i>, shall wholesomely address the placement of competencies essential for the green and digital transitions into curricula, by considering the labour market needs for knowledge and skills and the restructuring the current and future workforce to design Society 5.0 with life-long learning concepts.” According to the Guidelines, section 3.2, the general operational goal of the pilot projects is “Creating a list of potential solutions for systemic changes that will serve as a starting point for preparing the basis for investing in green, resilient, sustainable and digitally connected higher education and serve as a basis for the systemic changes of higher education.” The Guidelines further elaborate on the operational goals in the area of green transition (section 3.2.1) and digital transition (section 3.2.2). Section 3.3 of the Guidelines obliges higher education institutions implementing the pilot projects to show that the pilot projects will contribute to the modernisation of professional higher education study programmes in 2026, with the revamped curricula containing content that will equip students with competencies for a digital and green transition into the Society 5.0. Based on the information and clarifications provided by the Slovenian authorities, 13 selected projects test solutions for integrating sustainable development competences, 11 selected projects

test solutions for integrating digital competences and 14 selected projects test solutions for integrating both sustainable and digital competences in higher education curricula (see the Annex of this fiche for the categorisation of the pilot projects).

Furthermore, in line with the description of the measure **the objective of the investment is to prepare higher education for increased demand for skills reflecting new societal needs through the development and implementation of more inclusive and flexible learning approaches.**

The measure addresses professional higher education programs by testing solutions to integrate digital and sustainable development competences in the curricula. These areas of focus are in line with the Commission's priorities on the twin transitions, as well as the initiatives such as the European Year of Skills and the Green Deal Industrial Plan (specifically, pillar 3). In addition, some pilot projects, such as *Single-entry point for employers and innovative ways to engage with students*, *Green and digital legal transformation* and *FGPA 5.0 platform* are further identifying the (niche) labour market needs.

The selected pilot projects are testing solutions to integrate digital and sustainable development competences in the curricula through various innovative learning approaches. Amongst them are e-classrooms, e-content, problem-based learning, multi and inter-disciplinary approaches, demonstration polygons, open learning environments, hidden curricula, Curriculum Management System (CMS), exchange of good practices and open learning (list is not exhaustive). A significant share of the pilot projects is aiming at testing the development of the system of micro-credentials in the context of life-long learning, as recommended by the European Pillar of Social Rights Action Plan.

Furthermore, in line with the description of the measure, **the investment consists of implementing pilot projects to integrate green and digital skills in higher education.**

38 projects were selected through an exclusive call targeting public higher education institutions carrying out professional higher education programmes. Based on the information and clarifications provided by the Slovenian authorities, 13 selected projects test solutions for integrating sustainable development competences, 11 selected projects test solutions for integrating digital competences and 14 selected projects test solutions for integrating both sustainable and digital competences in higher education curricula (see the Annex of this fiche for the categorisation of the pilot projects).

Furthermore, in line with the description of the measure, **the investment shall also support the adaptation of professional higher education study programmes to the professions of the future and to the needs of the labour market.**

Section 3.3 of the Guidelines requires higher education institutions implementing the pilot projects to show that the pilot projects will contribute to the modernisation of professional higher education study programmes in 2026, with the revamped curricula containing content that will equip students with competencies for a digital and green transition into the Society 5.0. This investment is closely related to the measure *Reform of higher education for a green and resilient transition*. Specifically, the results of the implemented pilot projects will serve as a basis for the modernisation of 68 higher education curricula by 30 June 2026 (target 159).

Commission Preliminary Assessment: Positive assessment

Removing administrative barriers

Number: 172	Related Measure: Removing administrative barriers	
Name of the Milestone: Entry into force of the Second Debureaucratisation Act		
Qualitative Indicator: Provision in the law indicating the entry into force of the Debureaucratisation Act		Time: Q2 2022
Context:		
The objective of the reform is to provide a legislative framework which reduces the administrative burden for businesses and citizens. This reform will increase the competitiveness of businesses by reducing the cost of administrative procedures and simplifying related legislation in Slovenia. Milestone 172 concerns the entry into force of the second Debureaucratisation Act, which aims at further reducing administrative barriers for the business sector and citizens, simplifying the legislation, streamlining the existing procedures and removing burdensome procedures through amendments and additions to laws covering several ministerial departments. Milestone 172 is the second and last milestone or target of the reform, and it follows the completion of milestone 171 related to the entry into force of the first Debureaucratisation Act.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone was satisfactorily fulfilled with links to underlying evidence; ii. List of adopted and enforced laws with copies and links to the publication in the Official Gazette and relevant reference to provisions indicating the entry into force of each law. These are the adopted laws: • Act amending the Value Added Tax Act (ZDDV-1M) published in the Official Gazette of Slovenia (Number 1/2022), which was published on 7 January 2022 and entered into force on 22 January 2022 https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=20223&stevilka=15. • Act amending the Members of Parliament Act (ZPos-F) published in the Official Gazette of Slovenia (Number 2/2022), which was published on 11 February 2022 and entered into force on 12 March 2022 https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202217&stevilka=307. • Act amending the Fire Fighting Act (ZGas-D) published in the Official Gazette of Slovenia (Number 3/2022), which was published on 21 March 2022 and entered into force on 6 April 2022 https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202239&stevilka=771. • Act amending the Financial Administration Act (ZFU-A) published in the Official Gazette of Slovenia (Number 4/2022), which was published on 21 March 2022 and entered into force on 6 April 2022 https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-0770?sop=2022-01-0770. • Act amending the Drivers Act (ZVoz-1D) published in the Official Gazette of Slovenia (Number 5/2022), which was published on 25		

March 2022 and entered into force on 26 March 2022

<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202243&stevilka=832>.

- Act amending the Agricultural Land Act (ZKZ-G) published in the Official Gazette of Slovenia (Number 6/2022), which was published on 29 March 2022 and entered into force on 13 April 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202244&stevilka=877>.
- Act amending the Agriculture Act (ZKme-1G) published in the Official Gazette of Slovenia (Number 7/2022), which was published on 29 March 2022 and entered into force on 13 April 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202244&stevilka=876>.
- Environmental Protection Act (ZVO-2) published in the Official Gazette of Slovenia (Number 8/2022), which was published on 29 March 2022 and entered into force on 13 April 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202244&stevilka=873>.
- Prevention of Money Laundering and Terrorist Financing Act (ZPPDFT-2) published in the Official Gazette of Slovenia (Number 9/2022), which was published on 4 April 2022 and entered into force on 5 April 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202248&stevilka=977>.
- Act amending the Mining Act (ZRud-1D) published in the Official Gazette of Slovenia (Number 10/2022), which was published on 20 April 2022 and entered into force on 5 May 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202254&stevilka=1188>.
- Act Regulating the Status of Students (ZUPŠ-1) published in the Official Gazette of Slovenia (Number 11/2022), which was published on 20 April 2022 and entered into force on 5 May 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202254&stevilka=1186>.
- Public Passenger Transport Management Act (ZUJPP) published in the Official Gazette of Slovenia (Number 12/2022), which was published on 20 April 2022 and entered into force on 5 May 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=202254&stevilka=1182>.
- Law on urgent measures to ensure the stability of the health system published in the Official Gazette of Slovenia (Number 13/2022), which was published on 25 July 2022 and entered into force on 26 July 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022100&stevilka=2511>.
- Act amending the Protection Against Natural and Other Disasters Act published in the Official Gazette of Slovenia (Number 14/2022), which was published on 9 September 2022 and entered into force on 10 September 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022117&stevilka=2793>.
- Law on economic support due to high price increases for electricity and natural gas published in the Official Gazette of Slovenia (Number 15/2022), which was published on 9 September 2022 and entered into force on 10 September 2022
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022117&stevilka=2792>.

- Act amending the Gas Supply Act published in the Official Gazette of Slovenia (Number 16/2022), which was published on 21 September 2022 and entered into force on 22 September 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022121&stevilka=2850>.
- Act supplementing the Fiscal Rule Act published in the Official Gazette of Slovenia (Number 17/2022), which was published on 7 October 2022 and entered into force on 8 October 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022129&stevilka=3080>.
- Act amending the Notaries Act published in the Official Gazette of Slovenia (Number 19/2022), which was published on 11 October 2022 and entered into force on 26 October 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022130&stevilka=3090>.
- Act amending the Collective Management of Copyright and Related Rights Act published in the Official Gazette of Slovenia (Number 20/2022), which was published on 11 October 2022 and entered into force on 26 October 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022130&stevilka=3088>.
- Act amending the Excise Duty Act (ZTro-1C) published in the Official Gazette of Slovenia (Number 21/2022), which was published on 4 November 2022 and entered into force on 19 November 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022140&stevilka=3441>.
- Act amending the Criminal Sanctions Enforcement Act (ZIKS-1H) published in the Official Gazette of Slovenia (Number 22/2022), which was published on 7 November 2022 and entered into force on 22 November 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022141&stevilka=3468>.
- Act amending the Public Information Access Act (ZDIJZ-G) published in the Official Gazette of Slovenia (Number 23/2022), which was published on 7 November 2022 and entered into force on 22 November 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022141&stevilka=3466>.
- Law on emergency measures to contain and mitigate the health consequences of COVID-19 communicable disease (UNUNBZ) published in the Official Gazette of Slovenia (Number 24/2022), which was published on 7 November 2022 and entered into force on 8 November 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlid=2022141&stevilka=3465>.
- Act amending the Tax Procedure Act (ZDavP-2N) published in the Official Gazette of Slovenia (Number 25/2022), which was published on 27 December 2022 and entered into force on 28 December 2022 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-4188/zakon-o-spremembah-in-dopolnitvah-zakona-o-davcnem-postopku-zdavp-2n>.

The authorities also provided:

- iii. Annex 2 - Invitation for the preparation of materials for the second package, sent on March 29, 2021 by the Prime Minister Office.
- iv. Annex 3 - Invitation for proposals for de-bureaucratization measures to line ministries, sent on July 21, 2022 by the Ministry of Public Administration.

- v. Annex 4 - Invitation for proposals for de-bureaucratization measures to external stakeholders, sent on July 29, 2022 by the Ministry of Public Administration.
- vi. Annex 5 – List of proposals from external stakeholders and line ministries prepared by the Ministry of Public Administration.
- vii. Annex 6 - Mail from Recovery and Resilience Office to European Commission with attachment
- viii. Annex 7 - Laws in force from the pre-independence period prepared by the Ministry of Public Administration.

Analysis:

The justification and substantiating evidence provided by the Slovenia authorities covers all constitutive elements of the milestone.

The legislative package shall further reduce administrative barriers for business sector and citizens following a process of wide-ranging public consultations. It is expected to improve the efficiency of state and local administration.

The Second Debureaucratization package is a set of 24 separate laws adopted by Slovenia that entered into force by the end of 2022 (see Annex 1).

Individual amendments to the national laws are reducing administrative barriers for citizens by streamlining requirements for tax reporting (Act amending the Tax Procedure Act - ZDavP-2N, Art. 2, 5, 29 and 4), introducing the electronic identification and allowing electronic reporting, changing the responsible authority for supervision in the field of audit, (Prevention of Money Laundering and Terrorist Financing Act ZPPDFT-2, Art. 5, 6, 27, 32, 33, 34, 35, 38, 47, 48, 49, 51, 59, 63, 75, 76, 77, 93, 114, 115, 116, 117, 126, 127, 128, 129, 141, 149, 165, 166 and 190), laying down new standards for documents (the Act Regulating the Status of Students - ZUPŠ-1, Art. 3, 4, 10, 11 and 16), easing licensing procedures (Act amending the Collective Management of Copyright and Related Rights Act - ZKUASP-A) and ensuring the access of citizens to data of the public administration (Act amending the Public Information Access Act - ZDIJZ-G, 3, 4, 5, 6 and 8).

The amendments to the national laws within the Second Debureaucratization package are reducing administrative barriers for business sector and citizens, and they are also significantly improving the efficiency of state and local administration. The following laws are reducing administrative barriers to the citizens and improving the efficiency of the state/local administration by simplifying, shortening and streamlining administrative procedures, changing the reporting frequency and/or introducing electronic reporting, linking data sources and changing the responsible authority: Act amending the Value Added Tax Act (ZDDV-1M, Art. 2 – 48), Act amending the Fire Fighting Act (ZGas-D, rt. 8, 9, 10, 11, 12, 22 and 28), Act amending the Agricultural Land Act (ZKZ-G, Art. 5, 7, 8, 10, 14, 15, 23, 27, 31), Act amending the Drivers Act (ZVoz-1D, Art. 26, 27, 29, 35 and 36), Act amending the Agriculture Act (ZKme-1G, Art. 3, 7, 9, 23, 28, 35, 48, 50, 51, 53, 54, 55, 62, 63 and 68), Environmental Protection Act (ZVO-2, Art. 5, 41, 48, 49, 52, 68, 70, 74, 77, 81, 88, 89, 97, 113, 154, 155, 160, 218, 221 and 274), Act amending the Mining Act (ZRud-1D, Art. 7, 8, 9, 10, 11, 12, 34 and 37), Law on economic support due to high price increases for electricity and natural gas (ZPGVCEP), Act amending the Gas Supply Act (ZOP-A), Act amending the Notaries Act (ZN-H), Act amending the Excise Duty Act (ZTro-1C, Art. 1, 2 and 5), Act amending the Criminal Sanctions Enforcement Act (ZIKS-1H, Art. 11 and 13), Act amending the Members of Parliament Act (ZPos-F, Art. 1), Act amending the Financial Administration Act (ZFU-A, Art. 1. - 13.), Public Passenger Transport Management Act - ZUJPP, Law on urgent measures to ensure the stability of the health system - ZNUZSZS, Act amending the Protection Against Natural and Other Disasters (ZVNDN-C), Act supplementing the Fiscal Rule Act, Law on emergency

measures to contain and mitigate the health consequences of COVID-19 communicable disease (UNUNBZ, Art. 6, 14, 18 and 35).

For the second debureaucratisation package, the Prime Minister office collected proposals from ministries once the drafting of the first debureaucratisation act was completed (see annex 2). In July 2022, the Ministry of Public Administration launched public consultations by inviting line ministries (see annex 3) and external stakeholders including business associations, trade unions, representatives of NGOs, associations of municipalities (annex 4) to submit proposals for reducing the administrative burdens and improving the efficiency in the state and local administration. Citizens could submit proposals to simplify, remove the administrative barriers or reduce the administrative burdens via the Stop The Bureaucracy (<https://www.stopbirokraciji.gov.si/domov>). The ministry received 256 proposals from external stakeholders and 43 proposals from ministries (see annex 5). At the end of the consultations, 3 laws were amended based on the inputs received by the following external stakeholders: Chamber of Commerce of Slovenia, Association of Employers of Slovenia, the Association of Employers of Trades and Entrepreneurs of Slovenia and the Chamber of Agriculture and Forestry of Slovenia.

Furthermore, in line with the description of the measure, **the second package shall focus on the simplification of the pre-independence legislation.** The simplification of pre-independence legislation was planned as part of the second de-bureaucratisation package, however it was already achieved in the first part of the reform with Milestone 171 Entry into force of the Debureaucratisation Act published in the Official Gazette of Slovenia (Number 3/2022) on 7 January 2022 that repealed over two hundred laws and by-laws including 61 pre-independence laws which were no longer in force thus eliminating obsolete and outdated laws and repealing rules in force which are no longer applicable (Articles 40-51). None of the subsequent proposals received from ministries and external stakeholders relates to additional pre-independence laws. The Ministry listed the 25 pre-independence laws that have not been repealed: these are still in force and applicable and they do not need simplification. (see annex 7).

Commission Preliminary Assessment: Satisfactorily fulfilled

Creating systemic conditions for investment

Number: 176	Related Measure: Creating systemic conditions for investment	
Name of the Milestone: Completed technical assistance to support the implementation of public procurement reforms		
Qualitative Indicator: Output report with assessment and recommendations submitted		Time: Q2 2022
Context:		
The objective of the reform is to increase public and private investment by reforming the public procurement system and by simplifying procedures in the area of construction and spatial planning. Milestone 176 concerns the Provision of a technical assistance report to support the implementation of public procurement reforms. The technical assistance report includes an analysis of the Slovenian public procurement system and it provides recommendations to enable Slovenian authorities to identify and select the most important reforms to be implemented. Milestone 176 is the third milestone of the reform, and it is accompanied by milestone 180 in this payment request. It follows the completion of milestone 174, related to the entry into force of the amendments to the Public Procurement Act, and milestone 178, related to the alignment of Slovenia's public procurement databases with the European Commission's database and the transmission of the data necessary for the full publication of public procurement indicators in the Single Market Scoreboard. It will be followed by milestone 177, related to the delivery of an independent analysis of the impact of public procurement reforms and the formulation of measures and targets to improve the system, and milestone 179, related to the establishment of a Public Procurement Academy. The reform has a final expected date for implementation in December 2024.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Technical Assistance Report submitted. The Technical Assistance Report was prepared by PricewaterhouseCoopers. The technical assistance consists of five main deliverables: - D1: Analysis report of the Slovenian public procurement system, focusing on competition, single-bids procedures, and negotiated procedures without prior publication. - D1: Annex 4 (a separate document; part of D1) - Results of the analysis of the surveys - D2: Gap analysis report identifying possible areas for improvement in the short- and medium- term. - D3: Recommendations' report to increase competition in the public procurement market. - D4: Action plan for the implementation of the recommendations - D5: Final report - D5: Final presentation (a separate document, part of D5) – part of communication material - D5. Project factsheet (a separate document, part of D5) – part of communication material		

The authorities also provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled with links to underlying evidence

Analysis:

The justification and substantiating evidence provided by the Slovenia authorities covers all constitutive elements of the milestone.

The technical assistance report with assessment and recommendation has been submitted.

The Ministry of Public Administration applied to the Technical Support Instrument (TSI) and a procurement procedure was executed. PricewaterhouseCoopers (hereinafter: PwC) was selected to prepare the analysis. The project consisted of five identified deliverables which were submitted upon the closure of the project on 11 November 2022:

- D1: Analysis report of the Slovenian public procurement system, focusing on competition, single-bids procedures, and negotiated procedures without prior publication,
- D1: Annex 4 (a separate document; part of D1) - Results of the analysis of the surveys
- D2: Gap analysis report identifying possible areas for improvement in the short- and medium- term,
- D3: Recommendations' report to increase competition in the public procurement market. ,
- D4: Action plan for the implementation of the recommendations ,
- D5: Final report,
- D5: Final presentation (a separate document, part of D5) – part of communication material ,
- D5. Project factsheet (a separate document, part of D5) – part of communication material .

The Technical Assistance Report supports the implementation of the public procurement reforms.

The analysis of the Slovenian procurement system includes an assessment of the Slovenian procurement system against OECD Methodology, focusing on the high number of single-bid and non-transparent procedures. The analysis evaluates reforms that were introduced in the procurement system over the last few years (see D1). The report provides also a gap analysis that identifies possible areas for improvement in the Slovenian procurement system with good practices from other European countries (see D2). Then, the report includes detailed recommendations of actions to improve the level of competitiveness in the Slovenian procurement market. The recommendations are tailored to the specific national context and suggest actions that can be introduced (see D3). Finally, the report includes a proposal of an action plan in the continuation of the project (see D4).

The Technical Assistance Report includes a set of recommendations.

The D3 report includes a set of nine concrete recommendations clustered around five identified areas of improvement linked to the gaps identified in D2. All the recommendations were developed in order to be relevant in terms of being directly related to either increasing competitiveness, efficiency or effectiveness of the public procurement system. Each recommendation is broken into measures and specific actions to implement the recommendation. The recommendations aim to increase the competitiveness by reducing the share of single bids and negotiated procedures and they also focus in particular on what can be done in the short term to reduce the unjustified use of negotiated procedures (see D3).

The Technical Assistance Report focuses on increasing competitiveness in the public procurement market in line with the EU legal framework.

The analysis and recommendations of the report concern how to increase the efficiency and effectiveness of the public procurement system. The recommendations aim to increase the competitiveness of the public procurement system by reducing the number of single bids and the proportion of negotiated procedures without publications.

The action plan for the implementation of the report's recommendations covers different action steps within specific measures related to the identified gaps and related recommendations. The following measures have been included: further development of the Public Procurement Academy, introduction of obligation of an education and/or certification requirements for public procurement official, expansion of the assistance function of the Public Procurement Directorate, introduction of specific seminars on competitiveness, establishment and promotion of Procurement Cooperation Clusters, development of tools, guidance and procedures for better public procurement procedures, enhance simplified and user-friendly digital procurement environment and establishment of a monitoring mechanisms for the justification of negotiated procedures without prior publication (see D4 and D5).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 180	Related Measure: Creating systemic conditions for investment	
Name of the Milestone: Entry into force of amendments to the construction act and the spatial planning act		
Qualitative Indicator: Provision in the law indicating the entry into force of amendments to the Construction Act and the Spatial Planning Act		Time: Q2 2022
Context: Milestone 180 is part of reform C13.RC which aims at creating system conditions for investment growth. Milestone 180 concerns the recast of the Spatial Planning Act and the Construction Act to improve spatial planning instruments, reduce administrative burden and enable digitalisation of procedures. Milestone 180 is the third milestone of the reform and it is accompanied by milestone 176 in this payment request. It follows the completion of milestone 174, related to the entry into force of the amendments to the Public Procurement Act, and milestone 178, related to the alignment of Slovenia's public procurement databases with the European Commission's database and the transmission of the data necessary for the full publication of public procurement indicators in the Single Market Scoreboard. It will be followed by milestone 177, related to the delivery of an independent analysis of the impact of public procurement reforms and the formulation of measures and targets to improve the system, and milestone 179, related to the establishment of a Public Procurement Academy The reform has a final expected date for implementation in December 2024.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled with links to the underlying evidence; ii. Copy of the New Spatial planning Act (ZUreP-3) that has been adopted by the National Assembly of the Republic of Slovenia on 9 December 2021, published in Official Gazette of the Republic of Slovenia no. 199/21 on 22 December 2021 and came into force on 31 December 2021 (Article 343). The Act is publicly available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2021-01-3971?sop=2021-01-3971; iii. Copy of the New Building Act (GZ-1) that has been adopted by the National Assembly of the Republic of Slovenia on 9 December 2021, published in Official Gazette of the Republic of Slovenia no. 199/21 on 22/12/2021 and came into force on 31 December 2021, in use from 1/6/2022 (Article 158). Act is publicly available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2021-01-3972?sop=2021-01-3972.		
Analysis: The justification and substantiating evidence provided by the Slovenia authorities covers all constitutive elements of the milestone.		
Entry into force of amendments to the Construction Act and the Spatial Planning Act		

The Spatial Planning Act aims to improve spatial planning instruments, establish more efficient management of national and municipal spatial planning, enable the digitalization of all key spatial data and speed up the issuance of permits, while protecting the public interests and providing legal certainty for all actors involved.

The measures below are increasing altogether the efficiency of the spatial planning and speeding-up the administrative procedures for spatial planning and permitting. The recast of the Spatial Planning Act (ZUreP-3) improves spatial planning instruments by reorganizing the preparation of national spatial plans according to the principle of project management. Infrastructure projects of national importance are planned in national spatial plans (art. 53) and a project team is established for each project (art 85. – 87). The procedure for the joint detailed spatial planning and permitting are optimized (art. 100 – 113). The new Act establishes more efficient management of national and municipal spatial planning through shorter procedure for the development of renewable energy sources facilities (art. 130 - 131). The Act is also enabling the digitalization of all key spatial data by providing legal basis for establishment of digital services in the field of building (eConstruction) and spatial planning (ePlan). These provisions are ensuring the submission of documents in digital format and the establishment of a digital spatial dataset (art.54-55). The aforementioned measures are contributing to the objectives of reducing burden for investors and increasing legal certainty by increasing the efficiency of the spatial planning and speeding-up the administrative procedures for spatial planning and permitting. One specific measure is aimed at reducing the burden for investors: the public utility charge to be paid by building investors have now to be paid before the start of construction instead of before the issuance of the building permit (art. 233 and 331).

The Construction Act contributes to administrative relief, digitalization in view of accelerating relevant procedures and speed up the issuance of permits, while protecting the public interests and providing legal certainty for all actors involved.

The provisions below from the new building act are thus speeding-up the issuance of permits, while protecting the public interests and providing legal certainty for all actors involved. Under the new law, the compliance assessment by the competent authorities is streamlined (art.54) and the roles and deadlines in the procedure for issuing building permits are clearly defined increasing the clarity of the procedure (art. 43, 46, 47 and 62). A single procedure for issuing an integrated building permit is introduced combining environmental and construction technical assessment in one procedure. The new procedure includes provisions that recognises the role of NGOs operating in the area of environmental protection and ensure the right of the public to be informed through public notices (art. 63 to 72).

The new law also provides the legal basis necessary for establishment of digital services in the field of construction (art.11). The digital service will provide support for construction procedures, from preparation of project documentation and submission of applications to building permits (art. 137 and 156).

Commission Preliminary Assessment: Satisfactorily fulfilled

Loan support

Reform of electricity supply to promote renewable energy sources

Number: 13	Related Measure: Reform of electricity supply to promote renewable energy sources	
Name of the Milestone: Entry into force of the Electricity Supply Act		
Qualitative Indicator: Provision in the law indicating the entry into force of the Act on the Supply of Electricity		Time: Q2 2022
Context:		
Milestone 13 is part of the reform C1.RB on the electricity supply to promote renewable energy sources. The objective of the reform is to improve the network integration of renewable energy installations and demand response. Milestone 13 requires the entry into force of the Act on the Supply of Electricity covering the following five points: - i.rules for the functioning of the electricity market, production, transmission, distribution, storage and supply of electricity - ii.provisions for the protection of final customers - iii.the modalities and forms of provision of utilities in electricity transmission and distribution and the electricity market - iv.principles and measures to achieve security of electricity supply - v.measures to prevent energy poverty and other issues of electricity supply and other issues of electricity supply In addition, the measure description also requires the introduction of measures related to the deployment of smart network services, as well as measures to connect new capacity, including demand response and energy storage facilities. Milestone 13 is the first step of the implementation of the reform and it will be followed by milestone 14 on the additional capacity of new, connected, and operational generation plants for self-supply. The reform has a final expected date for implementation by 31 December 2025.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: - i.Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence; - ii.Copy of Electricity Supply Act, published in the Official Gazette of the Republic of Slovenia, no. 172/21 from 29 October 2021 and entered into force on 13 November 2021. The authorities also provided: - iii.Link to the Decree on criteria for defining and estimating the number of households in energy poverty, published in the Official Gazette of the Republic of Slovenia No 132/2022 on 14 October 2022 (https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-3199/uredba-o-merilih-za-opredelitev-in-ocenjevanje-stevila-energetsko-revnih-gospodinjstev)		
Analysis:		
The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.		

The new Electricity Supply Act shall lay down the rules for the functioning of the electricity market, production, transmission, distribution, storage and supply of electricity.

The new Electricity Supply Act was published in the Official Gazette of the Republic of Slovenia, no. 172/21 from 29 October 2021 and entered into force on 13 November 2021, as established by its Article 185. The Act lays down the basic rules of electricity supply and the operation of the electricity market. This includes:

- Article 1 clearly sets out the subject matter of the Act, namely to set out “the rules for the operation of the electricity market, generation, transmission, distribution, storage and supply of electricity, the rights and protection of final customers, the methods and forms of provision of utilities in the field of transmission and distribution of electricity and the electricity market, the principles and measures for achieving security of electricity supply, and regulates measures to prevent energy poverty and other issues of electricity supply.”
- Article 2 introduces the definitions concerning electricity market, production, transmission, distribution, storage and supply of electricity.
- Articles 5-8 establishes the main rules for the functioning of the electricity market, production, transmission, distribution, storage and supply of electricity. Article 5 sets out the basic principles of electricity supply and the operation of the electricity market, including generation, supply and trade in electricity, energy storage and aggregation, all of which “shall be carried out freely in a market where the participants are free to agree among themselves on the quantity and price of the electricity or service supplied”. Article 6 introduces fundamental provisions on the free operation of the electricity market and on ensuring its competitiveness in the framework of relevant Union legislation.

Provisions for the protection of final customers

Section one of Chapter 2 (Articles 13 – 27) of the Act deals extensively with the protection of final customers and lays down their fundamental rights and obligations, including free choice of supplier (Article 13), contractual rights (Articles 14 – 17), the right to changing suppliers (Article 18), as well as rights of active consumers and citizen energy communities (Articles 23 – 24). Moreover, Article 27 introduces the option for out-of-court settlement of disputes between suppliers and end customers.

Modalities and forms of provision of utilities in [i] electricity transmission and [ii] distribution and [iii] the electricity market

The rules for the modalities and forms of provision of utilities in [i] electricity transmission are laid down in Chapter 4 (Articles 45 – 68) “Transmission of Electricity”. This includes Article 45 on the definition of tasks and scope of activities of the transmission system operator, Article 48 on the construction and operation of the transmission system, and Article 49 on the requirements and content of transmission system development plans.

The rules for the modalities and forms of provision of utilities in [ii] electricity distribution are laid down in Chapter 5 (Articles 69 – 93) “Distribution of Electricity”. This includes Article 69, which sets out the tasks and activities of distribution operators, Article 71 on the definition of the area of performance of the commercial public service by the distribution system operator, as well as Article 76 on the obligation to prepare a distribution system development plan every two years.

The rules for the modalities and forms of provision of utilities in the [iii] electricity market are laid down in Chapter 6 (Articles 94 – 108) “Activity of Electricity Market Operator”. This includes Article 94 which defines the role of an electricity market operator, specifying tasks and scope of activities. Notably, one of its main responsibilities is to carry out the system balance. Furthermore, Article 98 establishes the role of market participants and of legal and natural persons who, subject to the fulfilment of certain legal conditions, engage in electricity-related activities.

Principles and measures to achieve security of electricity supply

Articles 37 – 44 lay down the fundamental legal principles to achieve security of supply. More specifically, Article 37 mandates the importance of the adequacy of electricity supply as a principle to achieve security of electricity supply. It stipulates that ensuring resource adequacy is considered in the general economic interest of the State, primarily for reasons related to the security of electricity supply. Article 40 mandates the requirement for the system operator to prepare a reliability standard for the necessary level of security of electricity supply in Republic of Slovenia as a measure to achieve the security of electricity supply. Furthermore, Articles 41 – 44 define the principles for allocation of electricity production capacity as a measure to ensure the security of electricity supply. These include the competitive process for selecting providers of capacities and the remuneration contract for making a capacity available.

Measures to prevent energy poverty and other issues of electricity supply

With respect to the measures established by the Act to achieve security of electricity supply, Article 33 (1) introduces the definition of vulnerable customer and Article 33 (2) sets out measures to prevent customers from experiencing energy poverty. These measures include the obligation for distribution system operators not to disconnect electricity supply or limit consumption for vulnerable customers unless they have been informed in advance about the possibility of emergency supply. Furthermore, Article 34 (5) stipulates that the eligible costs incurred by the distribution operator cover the costs associated with emergency supply provided to vulnerable customers.

Article 34 regulates the Government's obligations to prescribe measures and criteria for defining and assessing the number of energy-poor households in the state. Article 34 (2) obliges the government to take appropriate measures, such as providing support for improving energy efficiency.

On the basis of Article 34 of the Electricity Supply Act, the Decree on criteria for defining and estimating the number of households in energy poverty provides more detailed criteria for defining and estimating the number of households in energy poverty.

Furthermore, in line with the description of the measure, the Electricity Supply Act shall **provide for measures to ensure a secure operation of the grids, including the deployment of smart network services, as well as measures to connect new capacity, including demand response and energy storage facilities.**

Article 46 provides for measures to ensure a secure operation of the grids by establishing a requirement for the system operator to develop a transmission system development plan within nine months of the adoption of the National Energy and Climate Plan of the Republic of Slovenia. Article 46 (3) defines the objective of the transmission development plan, which is to define the main electricity transmission infrastructure to be used, including building new and modernising existing one, in the following ten years in order to ensure a reliable supply of electricity, secure operation of networks, while also taking into account increasing electricity generation from renewable energy sources and the deployment of smart network services and storage facilities.

Concerning the introduction of measures related to the deployment of smart network services, Articles 28 – 30 of the Act introduce the foundational principles and measures for the roll-out of smart meters, including the obligation for the distribution operator to ensure the measurement of electricity consumption through the introduction of smart meters and the obligation for final consumers to install at the request of the distribution operator or allow the installation of a smart metering system, as well as requirements for smart meter devices and exchange of data with network operators.

Concerning the introduction of measures related to connection of new capacity, including demand response and energy storage facilities:

- Article 22 enables final customers to provide demand response services through aggregation. The article obliges electricity operators to treat aggregators fairly without discrimination compared to producers when providing system services. The article gives aggregators the right to participate in all electricity markets, which, in connection with the provisions on system services, also covers capacity markets. Furthermore, Article 99 stipulates the method of calculating the balance of inflows and outflows for an independent aggregator, as a member of the balance scheme.
- Article 23 lays down the basic rights and obligations of active customers, including in relation to demand response. The article gives active customers the right to participate in demand response schemes, as well as to provide demand side services.
- Articles 45 and 49 expand the role of the system operator through the obligation to prepare development plan to facilitate the integration of new production installations and increased demand for energy. This can help address bottlenecks of the distribution network to integrate the increasing number of new photovoltaic installations and increasing demand for powering heat pumps and charging stations for e-vehicles.
- Article 69 regulates activities of the distribution operators, with Article 69 (10) providing for the inclusion of all qualified participants in the market, including participants offering demand response services, operators of energy storage facilities and aggregators.
- Article 75 further introduces the right for distribution operators to procure flexibility services for efficient and secure operation of the distribution system through different market participants on a non-discriminatory basis.
- Article 148 introduces special provisions for connection of installations, including energy storage facilities, that, among others, explicitly prohibit the system operator from refusing to connect a new generating or energy storage installation on the grounds of possible future limitations to available network capacity.

Commission Preliminary Assessment: Satisfactorily fulfilled

Strengthening the electricity distribution network (low-voltage network)

Number: 17	Related Measure: Strengthening the electricity distribution network (low-voltage network)	
Name of the Milestone: Opening of a call for proposals for a new low-voltage distribution network		
Qualitative Indicator: Publication of call for proposals		Time: Q4 2022
Context: Milestone 17 is part of Investment F, whose objective is to modernise the electricity distribution network in line with the increasing amount of renewables electricity consumption and to enable the connection of renewables generating installations, heat pumps and recharging points for electric vehicles. The investment consists in the construction and entry into operation of a new low-voltage network of at least 1300 kilometres long. Milestone 17 concerns the opening of a call for new low-voltage distribution network. Milestone 17 is the first milestone of the measure and is followed by target 18 on the length of new operational distribution network. The investment has a final expected date for implementation by 30 June 2026.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: - i.Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence, including a justification that the technical specifications of the call are fully aligned with the description, criteria and conditions as set out in the milestone and of the description of the investment in the CID; - ii.Copy of the publication of the call for proposals for construction of low-voltage distribution network showing that the competition is open to applications until the budgetary envelope is exhausted, published in the Official Gazette of the Republic of Slovenia, No. 46/23 from 21 April 2023, p.847, Ref No 4301-2/2023-2570-3 Ob-2054/23; The authorities also provided: - iii.Copy of call for proposals for construction of low-voltage distribution network from 21 April 2023. - iv.Link to the public announcement of the call for proposals on the official website of the Government of Republic of Slovenia (Invitation to call for co-financing of distribution stations and construction of low-voltage distribution networks (https://www.gov.si/zbirke/javne-objave/javni-razpis-za-sofinanciranje-distribucijskih-transformatorskih-postaj-in-izgradnje-nizkonapetostnih-distribucijskih-omrezij/).		
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.		
Call for proposals opened for the construction of a new low-voltage distribution network.		

The call for proposals was launched on 21 April 2023 with a publication in the Official Gazette of the Republic of Slovenia, as well as public notices on the official website of the Ministry Environment Climate and Energy and the official website of the Government of Slovenia.

The call for proposals states in Section 3.3. "Objective of the call for proposals and area of implementation" that subject of the call is for the allocation of co-financing funds for the strengthening of the electricity distribution network in the territory of the Republic of Slovenia through the construction of new transformer stations and the construction of low-voltage distribution networks for the period 2023 to 2026. In this context, Section 7.3 "Statements" of the call for proposals includes conditions on avoidance of double-funding and requires all applicants to agree sign a corresponding declaration, part of the application documents.

The call shall be open until the budgetary envelope is exhausted.

In Section 10.2 "Submission of applications and deadline for submission of applications", the text of the call for proposals explicitly states that the call for proposals will be open until the funds are used up.

The projects shall aim at the effective integration of renewable energy production and storage facilities to the electricity distribution network, including recharging points for electric vehicles.

In section 7.2 "Specific conditions", the text of the call for proposals states that resulting additional capacity for the connection of production or storage installations from renewable energy sources and for recharging infrastructure for electric vehicles must be demonstrated at the level of the project. The applicant assesses the resulting additional capacities referred to above in Form 1 "Project information" of the call documents on the basis of planned activities at project level and reports them in the context of the substantive report on the implementation of the project, which is a mandatory annex to the individual application for payment of funds.

In addition to all mandatory national and European rules laying down requirements for construction and environmental interventions, selection/eligibility criteria shall ensure compliance with the 'do no significant harm' Technical Guidance (2021/C58/01).

In section 7.1 "General Conditions", the text of the call for proposals states that the applicant must demonstrate that the project will be implemented in accordance with the 'Do No Significant Harm' (DNSH), that is to say, in line with the environmental objectives of the European Union as defined in Article 17 of Regulation (EU) 2020/852. The applicant is further required to submit a completed, signed and stamped Form No 7: A statement by the applicant that the action will be implemented in accordance with the 'Do No Significant Harm' (Do No Significant Harm – DNSH) principle.

In addition to complying with the DNSH principle, Section 7.1 "General Conditions" also requires the applicants to ensure that the project complies with all relevant construction and environmental legislation by:

- Submitting investment documentation in line with the national Regulation on a common methodology for the preparation and treatment of investment documentation in the area of public finance;
- Submitting project documentation in accordance with the Construction Act (GZ-1) and its implementing regulations, in particular the Rules on Project and Other Documents and Forms for Construction or its predecessor, must be drawn up or under construction. This may include design documentation for obtaining design and other conditions, design documentation for opinions and building permits, design documentation for the execution of works, and other documentation such as building permit documentation for non-complex works. Obtaining these documents involves verifying compliance with construction and environmental legislation, namely that the relevant project conditions,

consents and spatial planning opinions are obtained where the interventions may affect specific areas, such as for example (but not exclusively):

- impact on areas of natural values, protected areas and Natura 2000 sites or areas of importance for biodiversity – environmental legislation taken into account, such as in particular the Nature Conservation Act, the Decree on Special Protection Areas (Natura 2000 Areas), the Decree on Protected Wildlife Species, the Regulation on Protected Wildlife Types, the Decree on Protected Wildlife Species, the Rules on the inclusion of endangered plant and animal species in the Red List, the Natura 2000 site management programme, as well as taking into account the EU Biodiversity Strategy for 2030;
- impact on water regime and water status – relevant legislation taken into account, such as in particular the Water Act (ZV-1).

Investments shall strengthen the distribution network, improve its capacity and adaptability, as well as the integration of databases and real-time surveillance.

Furthermore, the milestone in the Council Implementing Decision is further specified in the Operational Arrangements, which requires that **the call for proposals conditions shall cover new control systems and sensor technologies enabling interactive and intelligent monitoring, measurement, quality control or management of the production, transmission, distribution or consumption of energy within the distribution network.**

In section 3.2 “Objective of the invitation to tender”, the text of the call for proposals states that the objective of the call is to modernise the electricity distribution network in line with the increasing consumption of electricity from renewable energy sources, speeding up the comprehensive development and operation of the distribution network to increase capacity, resilience against disruption, advanced, connectivity and adaptability of the grid, making it possible to exploit the flexibility of resources and loads and to accelerate the roll-out of e-mobility, including recharging points for electric vehicles and the integration of electricity.

In section 7.2 “Specific conditions”, the text of the call for proposals states that projects must ensure the interoperability of the data and enable it to be exchanged between different electricity market participants (generation, transmission, distribution, market) through the integration of different systems on the basis of appropriate communication protocols. In this way, the requirement for database integration and real-time surveillance needs to be met. The text in section 7.2 “Specific conditions” further specifies that the applicant is required to submit proof that this condition is met through the submission of the application form or in the submitted project documents in response to the call for proposals.

Commission Preliminary Assessment: Satisfactorily fulfilled

Strengthening prevention to increase flood safety

Number: 46	Related Measure: Strengthening prevention to increase flood safety	
Name of the Milestone: Entry into force of a new Flood Risk Management Plan		
Qualitative Indicator: Provision in the plan indicating the entry into force of the Plan		Time: Q4 2022
Context: The measure aims to address one of the most relevant climate change related risks in Slovenia, namely the risk of floods. Aside from speeding up the planning and implementation of flood protection and prevention measures, the objective of the reform is to ensure that flood risk management becomes a permanent task with dedicated resources from the national budget. Furthermore, one of the key elements of the reform is the establishment of a river control service and the introduction of automated solutions for control systems. Milestone 46 requires the entry into force of a new Flood Risk Management Plan for speeding up the planning and implementation of flood protection and prevention measures at local, regional, and national level. Furthermore, the plan is expected to prevent the consequences of floods by promoting nature-based solutions and green infrastructures in future investments. Milestone 46 is the only milestone or target of this reform. The reform has a final expected date for implementation on 31 December 2022.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled with links to the underlying evidence; ii. Copy of the Flood Risk Management Plan (FRMP II) No. 35500-2/2023/5 adopted by the Government of the Republic of Slovenia on 30 March 2023 and published on the Government’s website: https://www.gov.si/teme/nacrt-zmanjsevanja-poplavne-ogrozenosti/; iii. Copy of the Decision of the Government of the Republic of Slovenia of 30 March 2023 No. 35500-2/2023/5 on the entry into force of the Flood Risk Management Plan 2023 – 2027. The authorities also provided: iv. Copy of the Environmental report for the Flood Risk Management Plan 2023 – 2027 prepared by Ipsum, Environmental investments, in May 2022, as supplemented in August and September 2022; v. Copy of the Decision of the Government of Republic of Slovenia of 2 February 2023 No. 35409-465/2021-2550-91 on the Acceptability of the environmental impact on the environment for Flood Risk Management Plan 2023 – 2027; vi. Copy of the report on Integrating nature-based solutions within flood protection projects, prepared by the Slovenian Water Agency in October 2023; vii. Copy of the Decision of the Government of Republic of Slovenia of 16 June 2021 No. 478-25/2021-2550-1 on the Reorganisation of the Water Directorate of the Republic of Slovenia; viii. Copy of the Decision on the rebalancing of the of Water fund programme for 2023 and the planning for 2024 (No 231588/2023-2) issued by the Slovenian Water Agency and the Ministry of Natural Resources and Spatial Planning on 21 September 2023;		

ix.Extract from national budget for 2024 and 2025 indicating the planned resources from Water Fund intended for flood risk management measures; x.Copy of the Decision of the Government of Republic of Slovenia of Decision of 12 October 2023 No. 00704-359/2023/4 on the Climate change fund programme for 2023-2026; xi.Copy of the Climate change fund programme for 2023-2026.
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. The new plan shall aim to speed up the planning and implementation of measures that contribute to the prevention of the consequences of floods at local, regional and national level As established by the Decision of the Government of the Republic of Slovenia of 30 March 2023 No. 35500-2/2023/5, the Flood Risk Management Plan 2023 – 2027 (hereinafter referred to as “FRMP II”, “Plan”) was adopted and entered into force on 30 March 2023, thereby covering the period 2023-2027. The copy of the plan and decision are published on the Government website: https://www.gov.si/teme/nacrt-zmanjsevanja-poplavne-ogrozenosti/. As specified in the FRMP II (page 2; Sections 2 and 3), the Plan contains 20 flood protection measures identified for each of the 18 River Sub-Basins, which cover 86 Areas of Potentially Significant Flood Risk. These measures (Table 2, page 26 of the FRMP II) cover all the aspects of risk prevention at the national, regional and local level (ranging from mapping, planning, maintenance, monitoring to implementation), as well as different types of flood protection measures at (such as structural, non-structural and natural-based flood protection measures), which all contribute to speeding up the planning and implementation of measures for the prevention of the consequences of floods. Furthermore, for each of the 20 flood protection measures, it has been determined which entities are responsible for their implementation and what the priority of the measures is (pages 25-27 of the FRMP II). As specified under the individual measures (Sections 2, 3 and 13 of the FRMP II), the responsible bodies for implementation are the following: i) national level - the Slovenian Water Agency and related ministries; ii) regional level - the regional headquarters of civil protection and the regional offices of the Slovenian Water Agency acting at river basin level; and iii) local level – municipalities (specifically responsible for the implementation of measures U6 - Flood risk awareness raising, and U14 - Contingency planning). In addition, and to ensure the needed administrative capacities for the speedy preparation and implementation of projects for the identified river sub-basins, the FRMP II (Section 2 and 3) includes projects for the provision of additional personnel resources for the regional and river basin level branches of the Slovenian Water Agency in relation to measures U7 - Structural flood protection measures, U11 - River basin control and U20 - Financial, system, international river basin coordination and other measures). The Plan therefore contains a structured and comprehensive approach entailing clear responsibilities, strategic prioritisation and reinforced administrative capacities, which ensures the speedy planning and implementation of the measures that contribute to the prevention of the consequences of floods at local, regional and national level. Promoting in particular nature based solutions As defined in the FRMP II for each of the 18 river sub-basins (Sections 2 and 3), the main structural measure supporting the promotion of nature-based solutions is measure U2 - Natural water retention measures, which has been categorised as a high priority. Under this measure, the potential locations (including the detailed maps) and projects for the establishment of larger natural retention measures under each of the 18 river sub-basins have been identified. The promotion of nature based-solutions is also supported by the non-structural measure U6 - Flood risk awareness raising, which also covers

the awareness raising in relation to green infrastructure and nature-based flood protection measures.

Furthermore, Section 12 (Annex H) of the FRMP II and Section 4 of the Environmental report define the general protection guidelines and mitigation measures, which emphasise the need for the prioritisation of nature-based solutions particularly for the implementation of the measures U7 - Structural flood protection measures, U10 - Water infrastructure maintenance works and U18 - Flood damage assessment and rehabilitation after floods. In consideration of the foregoing, the promotion of nature-based solutions has been integral to the planning and implementation of flood management strategies, and the Plan's particular commitment for promoting nature-based solution is evident in the general protection guidelines and mitigating measures outlined in Section 12 (Annex H) of the FRMP II referenced above.

Furthermore, in line with the description of the measure, **the key elements of the reform shall be the establishment of a river control service and the introduction of automated solutions for control systems.** In line with the FRMP II (Table 2, page 26, and Sections 2 and 3), these requirements are being implemented for the individual river sub-basins under measure U11 - River basin control, which is aimed at ensuring high-quality and sufficiently frequent implementation of river control, as well as the sufficient qualifications and expertise of staff and resources, and the introduction of automated solutions for the information and control systems.

Furthermore, in line with the description of the measure, **the Water Directorate of the Republic of Slovenia shall be reorganised to achieve decentralisation and optimisation of the processes.** In accordance with the Decision of the Government of Republic of Slovenia of 16 June 2021 on the Reorganisation of the Water Directorate of the Republic of Slovenia (No. 478-25/2021-2550-1), the seat and premises of the Water Directorate of the Republic of Slovenia are being moved from Ljubljana to Celje. As explained in the Explanatory part of the Decision, the aim of this move is to ensure the decentralisation of the government (as most national bodies are in Ljubljana) and promote a more balanced regional development. Furthermore, the objective of the reorganisation as defined in the Decision, is to optimise the processes mainly by improving the working conditions for the employees and internal working procedures, as well as by reducing the costs of renting business premises, as well as reducing the travel and operating costs of this body.

Furthermore, in line with the description of the measure, **the Plan shall ensure that flood risk management becomes a permanent task with dedicated resource from the national budget.** The FRMP II establishes flood risk management as a permanent task by ensuring the continuity of flood risk management following the first Flood Risk Management Plan for 2017-2021 and by addressing the flood management measures identified for each of the 18 River Sub-Basins, which cover 86 Areas of Potentially Significant Flood Risk in the period 2023-2027 (page 2 of the FRMP II). The FRMP II specifies the potential financial resources for flood protection measures, including from the national budget (specifically the Water Fund and Climate change Fund) on page 29. Following the adoption and entry into force of the FRMP II on 30 March 2023, and in line with the Decision on the rebalancing of the of Water fund programme for 2023 and the planning for 2024 (No. 231588/2023-2), the national budget of the Republic of Slovenia was amended for the years 2023 and 2024. Pages 4-5 of the Extract from national budget for 2024 and 2025 indicate the planned resources from the Water Fund for the implementation of flood risk management measures, thus demonstrating that resources from the national budget are dedicated to flood risk management. In relation to the national Climate change fund, the Government of Slovenia adopted the Decision on the Climate change fund programme for 2023-2026 (No. 00704-359/2023/4), whereby the national funding planned for the adaptation to the consequences of climate change is defined on page 1 of the Climate change fund programme for 2023-2026.

Furthermore, in line with the description of the measure, **the reform shall promote future investments through nature-based solutions and green infrastructures.** In line with the FRMP II (sections 2 and 3), both nature-based solutions and green infrastructure are covered under measures U2 and U6. Furthermore, following the entry into force of the FRMP II, which serves as a basis for all investments addressing flood risks, the Slovenian authorities prepared and provided a copy of the report on the integration of both nature-based solutions and green infrastructure within future flood protection projects.

Commission Preliminary Assessment: Satisfactorily fulfilled

Further urban waste water discharge and treatment projects

Number: 50	Related Measure: Further projects for the discharge, treatment and re-use of urban waste water	
Name of the Milestone: Award of grants for urban waste water discharge and treatment projects		
Qualitative Indicator: Communication of awards		Time: Q4 2022
Context:		
The objective of this investment is to support the construction of additional waste water systems with a net zero energy use and the renewal of additional waste water system to lead to a decreased average energy use by at least 10 %. Furthermore, the focus of the investment is on wastewater discharge and treatment systems that contribute to the conservation of Natura 2000 areas and water conservation areas. Milestone 50 concerns the award of grants to municipalities for urban waste water discharge and treatment projects selected through a dedicated call for proposals. Projects are addressing either the reconstruction of existing systems, which are expected to increase energy efficiency and reduce the consumption of electricity, or newly build systems with a net zero energy consumption. Milestone 50 is the first step of the implementation of the investment and it will be followed by target 51 related to the number of completed urban waste water discharge and treatment projects. The investment has a final expected date for implementation by 30 June 2026.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements, as well as the list of recipients) was satisfactorily fulfilled with links to the underlying evidence. ii. Copy of the call for the allocation of funding for "Investments in urban wastewater discharge and treatment systems located in agglomerations with less than 2,000 PE" (No. 35500-7/2022-2550), containing the selection criteria and technical specifications ensuring the alignment of the projects with the EU acquis and environmental regulations, published in the Official Gazette of the Republic of Slovenia no. 6/22 of 14 January 2022 and on the website: https://www.gov.si/zbirke/javne-objave/javni-razpis-za-dodelitev-sredstev-investicije-v-sisteme-odvajanja-in-ciscenja-odpadne-vode-ki-lezijo-na-manjsih-aglomeracijah-od-2-000-pe-c1-k3-ih-nacrt-za-okrevanje-in-odpornost/. iii. Copy of the First amendment of the call for the allocation of funding for "Investments in urban wastewater discharge and treatment systems located in agglomerations with less than 2,000 PE" (No. 35500-7/2022-2550-19), published in the Official Gazette of the Republic of Slovenia no. 58/22 of 29 April 2022. iv. Copy of the Second amendment of the call for the allocation of funding for "Investments in urban wastewater discharge and treatment systems located in agglomerations with less than 2,000 PE" (No. 35500-7/2022-2550-58), published in the Official Gazette of the Republic of Slovenia no. 135/22 of 21 October 2022. v. Copy of the Grant award decisions for 10 urban wastewater discharge and treatment projects (No. 35500-93/2022-2550-8, 35500-92/2022-2550-14, 35500-91/2022-2550-9, 35500-90/2022-2550-7, 35500-221/2022-2550-10, 35500-87/2022-2550-9, 35500-86/2022-2550-9, 35500-85/2022-2550-7, 35500-79/2022-2550-9, 35500-82/2022-2550-7) issued by the Ministry of Natural Resources and Spatial Planning by 31 March 2023.		

vii. Copy of the Building permits for 10 urban wastewater projects receiving the grant award, including the technical specifications of the project proving alignment with the EU acquis and environmental regulations, issued by the responsible Administrative units of the Republic of Slovenia.

viii. Copy of 15 Declarations on the fulfilment of the 'do no significant harm' principle issued by the municipalities receiving the grant award.

The authorities also provided:

ix. Copy of the Project applications for 10 urban wastewater projects prepared by the respective municipalities receiving the grant award.

x. Copy of the Investment programme for 10 urban wastewater projects prepared by experts for the respective municipalities receiving the grant award.

xi. Copy of the Supplements to the project application on the assessment of the energy consumption for 10 urban wastewater discharge and treatment projects prepared by experts for the respective municipalities receiving the grant award.

xii. Copy of an example of a Co-financing agreement signed between the Municipality of Ivančna Gorica and the Ministry of Natural Resources and Spatial Planning.

Analysis:

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of investment H and has undertaken the assessment on a revised basis. In such description, it is stated that the investments shall be implemented through long-term loans at favourable interest rates to municipalities. However, milestone 50 stipulates explicitly that this is an award of grants both in the name and in the description, hence the Commission considers the latter as the one relevant for the fulfilment of milestone 50. Furthermore, there is a corresponding milestone with the same name and description (M38) under non-repayable support which has been managed under the same call for proposals also referred to in the current Commission assessment.

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Award of grants for 10 urban waste water discharge and treatment projects. Furthermore, in line with the description of the measure, **the investment shall be implemented through long-term loans at favourable interest rates to municipalities for projects selected by the Ministry of Environment and Spatial Planning through a dedicated call for projects.**

The public call for the allocation of funding for "Investments in urban wastewater discharge and treatment systems located in agglomerations with less than 2,000 PE" (No. 35500-7/2022-2550) (*hereinafter referred to as "Amended call for wastewater projects"*) was launched by the Ministry of Environment and Spatial Planning in the Official Gazette of the Republic of Slovenia on 14 January 2022. The call was amended twice in 2022 (with the First amendment No. 35500-7/2022-2550-19 and the Second amendment No. 35500-7/2022-2550-58).

In accordance with the conditions and criteria set in the Amended call for wastewater projects, the Ministry of Natural Resources and Spatial Planning (as renamed following the amendment of the Civil Service Act published in the Official Gazette of the Republic of Slovenia no. 18/23 on 12 February 2023) issued grant award decisions for 10 urban wastewater discharge and treatment projects (No. 35500-93/2022-2550-8, 35500-92/2022-2550-14, 35500-91/2022-2550-9, 35500-90/2022-2550-7, 35500-221/2022-2550-10, 35500-87/2022-2550-9, 35500-86/2022-2550-9, 35500-85/2022-2550-7, 35500-79/2022-2550-9, 35500-82/2022-2550-7) (*hereinafter referred to as "Grant award decisions for 10 urban wastewater discharge and treatment projects"*). The Slovenian authorities provided the copies of the Grant award decisions for all 10 projects, which confirm in the Explanatory section that

all the criteria indicated in the call have been met and all the required documentation has been provided. In line with Article 5 of the mentioned call, the recipients of the grant awards are the municipalities.

Projects shall address the reconstruction of existing systems to increase energy efficiency and reduce the consumption of electricity by at least 10 %. Newly built systems shall have a net zero energy consumption.

As indicated in the Explanatory section of the provided Grant award decisions for the 10 urban wastewater discharge and treatment projects, the grants were awarded for the projects for which the expert committee confirmed that all the criteria specified in the call (including in relation to the energy requirements) have been met and all the required documentation has been provided. These criteria are defined in point 4, paragraph 1 of the Amended call for proposals for wastewater projects and specify that the newly built systems or newly built parts of the wastewater discharge and treatment systems in each agglomeration are required to achieve energy neutrality of the system, that is net zero energy consumption, while the upgrades of the existing sewage discharge and treatment plants must reduce the average consumption of electricity by at least 10%. Furthermore, as defined under paragraph 2 of point 4, the energy certificate produced by the authorized company (which must be consistent with the calculations and statements in the application or accompanying documentation), is a mandatory document at the end of the investment. In line with this, the Slovenian authorities provided copies of the Investment programmes and Supplements to the project application containing the required energy statements and calculations from the recipients of the grant award for all 10 projects.

As specified under point 2 and in the Explanatory section of the provided Grant award decisions for the 10 urban wastewater discharge and treatment projects, as well as in the Amended call for projects, once the recipients of the grant award fulfil the conditions as defined in the call for projects and the grant award decision, a Co-financing Agreement is signed between the recipient and the Ministry of Natural Resources and Spatial Planning, which regulates the mutual relations and the rights and obligations of the recipient. In line with Article 8 of the Co-financing Agreement and upon completion of the investment, the recipient must meet the following investment parameters from the approved application:

- i. When building a new system or a part of the wastewater disposal and treatment system in each agglomeration, it is necessary to achieve the energy neutrality of the system, that is no additional energy consumption.
- ii. When upgrading the existing sewage treatment plant, the average consumption of electricity must be reduced by at least 10%.
- iii. The energy certificate produced by the authorized company, which must be consistent with the calculations and statements in the application or accompanying documentation, is a mandatory document attached at the end of the investment.

Projects shall focus on nature protection areas. Furthermore, in line with the description of the measure, **the investments shall focus on projects concerning wastewater systems contributing to Natura 2000 sites and water protection areas.**

As stated in point 3, paragraph 2 of the Amended call for wastewater projects, the investments are primarily intended for projects in wastewater discharge and treatment systems that contribute to the conservation of nature protection areas (Natura 2000 areas and water conservation areas). In accordance with point 6, paragraph 10 of the above-mentioned call, wastewater discharge and treatment systems located in the Natura 2000 area or in the water protection area will receive a 10% supplement for co-financing. The purpose is to encourage the municipalities to properly organize wastewater discharge and treatment systems by renovating the existing systems or building new ones

in these areas and thus prevent sewage from flowing into Nature 2000 and water protection areas and set higher standard of protection of these areas.

As explained in the Summary document, which includes the list of recipients with the relevant project information (pages 5-6), 5 out of 10 projects will be implemented in nature protection areas. This is also evident from section III of the project applications and indicated in the Explanatory section of the Grant award decisions for the 10 projects, which confirm that all the criteria in the call (including in relation to the nature protection areas) have been met and all the required documentation has been provided.

Commission Preliminary Assessment: Satisfactorily fulfilled

Drinking water supply and savings projects

Number: 52	Related Measure: Further drinking water supply and savings projects		
Name of the Milestone: Award of grants for projects for the supply of drinking water			
Qualitative Indicator: Communication of awards			Time: Q4 2022
Context:			
The objective of the investment is to reduce water losses in the Slovenian drinking water supply system, which are still substantial due to the outdated drinking water infrastructure, and to improve the energy efficiency of these systems. This is expected to be achieved through the construction of new or the reconstruction of existing drinking water supply systems. Milestone 52 concerns the award of grants to municipalities for drinking water supply projects selected through a dedicated call for proposals. Projects are addressing either the reconstruction of existing systems, which are expected to increase energy efficiency and reduce the consumption of electricity, or newly build systems with an average energy consumption of less than or equal to 0.5 kWh or an Infrastructure Leakage Index (ILI) of no more than 1.5. Milestone 52 is the first step of the implementation of the investment and it will be followed by targets 53 related to the number of completed drinking water supply projects. The investment has a final expected date for implementation by 30 June 2026.			
Evidence provided:			
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements, as well as the list of recipients) was satisfactorily fulfilled with links to the underlying evidence. ii. Copy of the Call for the allocation of funding for "Investments in water supply systems serving less than 10.000 inhabitants" (No. 35500-8/2022-2550), containing the selection criteria and technical specifications ensuring the alignment of the projects with the EU acquis and environmental regulations, published in the Official Gazette of the Republic of Slovenia no. 6/22 of 14 January 2022 and on the website: https://www.gov.si/zbirke/javne-objave/javni-razpis-za-dodelitev-sredstev-investicije-v-vodovodne-sisteme-ki-oskrbujejo-manj-kot-10-000-prebivalcev-c1-k3-ii-nacrt-za-okrevanje-in-odpornost/. iii. Copy of the First amendment of the call for the allocation of funding for "Investments in water supply systems serving less than 10.000 inhabitants" (No. 35500-8/2022-2550-23), published in the Official Gazette of the Republic of Slovenia no. 58/22 of 29 April 2022. iv. Copy of the Second amendment of the call for the allocation of funding for "Investments in water supply systems serving less than 10.000 inhabitants" (No. 35500-8/2022-2550-60), published in the Official Gazette of the Republic of Slovenia no. 135/22 of 21 October 2022. v. Copy of the Grant award decisions for 10 drinking water supply projects (No. 35500-612/2022-2550, 35500-73/2022-2550, 35500-135/2022-2550, 35500-616/2022-2550, 35500-139/2022-2550, 35500-140/2022-2550, 35500-209/2022-2550, 35500-141/2022-2550, 35500-323/2022-2550, 35500-4/2023-2550) issued by the Ministry of Natural Resources and Spatial Planning. vi. Copy of the Building permits for 10 drinking water supply projects receiving the grant award, including the technical specifications of the project proving alignment with the EU			

acquis and environmental regulations, issued by the responsible Administrative units of the Republic of Slovenia. vii. Copy of 10 Declarations on the fulfilment of the 'do no significant harm' principle issued by the municipalities receiving the grant award. The authorities also provided: i. Copy of the Project applications for 10 drinking water supply projects prepared by the respective municipalities receiving the grant award. iii. Copy of the Investment programme for 10 drinking water supply projects prepared by experts for the respective municipalities receiving the grant award. v. Copy of the Supplements to the project application on the assessment of the energy consumption/water loss for 10 drinking water supply projects prepared by experts for the respective municipalities receiving the grant award. vi. Copy of an example of a Co-financing agreement signed between the recipient of the grant award and the Ministry of Natural Resources and Spatial Planning.
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone. Award of grants for projects for the supply of drinking water supply projects. Furthermore, in line with the description of the measure, the investment shall be implemented through grants to municipalities for projects selected by the Ministry of Environment and Spatial Planning through a dedicated call for projects. The public call for the allocation of funding for "Investments in water supply systems serving less than 10.000 inhabitants" (No. 35500-8/2022-2550) (<i>hereinafter referred to as "Amended call for drinking water supply projects"</i>) was launched by the Ministry of Environment and Spatial Planning in the Official Gazette of the Republic of Slovenia on 14 January 2022. The call was amended twice in 2022 (with the First amendment 35500-8/2022-2550-23 and the Second amendment No. 35500-8/2022-2550-60). In accordance with the conditions and criteria set in the Amended call for drinking water supply projects, the Ministry of Natural Resources and Spatial Planning (as renamed following the amendment of the Civil Service Act published in the Official Gazette of the Republic of Slovenia no. 18/23 on 12 February 2023) issued grant award decisions for 10 drinking water supply projects (No. 35500-612/2022-2550, 35500-73/2022-2550, 35500-135/2022-2550, 35500-616/2022-2550, 35500-139/2022-2550, 35500-140/2022-2550, 35500-209/2022-2550, 35500-141/2022-2550, 35500-323/2022-2550, 35500-4/2023-2550) (<i>hereinafter referred to as "Grant award decisions for 10 drinking water supply projects"</i>). The Slovenian authorities provided copies of the Grant award decisions for all 10 projects, which confirm in the Explanatory section that all the criteria indicated in the call have been met and all the required documentation has been provided. In line with Point 4 of the Amended call, the recipients of the grant awards are the municipalities. Projects shall address the reconstruction of existing systems to increase energy efficiency and reduce the consumption of the electricity by at least 10 %, and with the aim of ensuring that a newly built system has an average energy consumption of less than or equal to 0.5 kWh or an ILI of 1.5 or less As stipulated in point 3, paragraph 1 and point 6, paragraph 1 of the Amended call for drinking water supply projects, the construction of new drinking water supply systems or the reconstruction of existing systems with hydraulic/energy efficiency improvements of the whole or parts of the system,

with obtained building permits, has to fulfil the following requirements upon completion of the investment:

- i. As regards the construction of new systems, , the projects must provide an average energy consumption of less than or equal to 0.5 kWh or an Infrastructure Leakage Index (ILI) of 1.5;
- ii. As concerns the reconstruction of existing systems, the projects must ensure a reduction of the average electricity consumption by 20%.

As indicated in the Explanatory section of the provided Grant award decisions for the 10 drinking water supply projects, the grants were awarded for the projects for which the expert committee confirmed that all the criteria specified in the call (including in relation to the energy and water loss requirements) have been met and all the required documentation has been provided. These criteria are defined under paragraph 2 of point 6 of the Amended call, the energy certificate produced by the authorized company (which must be consistent with the calculations and statements in the application or accompanying documentation), is a mandatory document at the end of the investment. In line with this, the Slovenian authorities provided copies of the Investment programme and Supplements to the project application containing the required energy statements and calculations prepared by experts from the recipients of the grant award. In addition, for the projects where the main aim would be reducing water losses, the Slovenian authorities provided Supplements to the project application containing the assessment of the water losses prepared by experts for the recipients of the grant award.

As specified under point 2 and in the Explanatory section of the provided Grant award decisions for the 10 drinking water supply projects, as well as in the Amended call for projects, once the recipients of the grant award fulfil the conditions as defined in the call and the grant award decision, a Co-financing Agreement will be signed between the recipient and the Ministry of Natural Resources and Spatial Planning, which regulates the mutual relations and the rights and obligations of the recipient. In line with Article 8 of the Co-financing Agreement and upon completion of the investment, the recipient must meet the following investment parameters from the approved application:

- i. Constructing a new or reconstructing the whole or parts of the water supply systems (ensuring hydraulic improvements), supported by a valid building permit;
- ii. As regards the construction of new drinking water supply systems newly built systems have an average energy consumption of less than or equal to 0.5 kWh or ensure an Infrastructure Leakage Index (ILI) of 1.5 or less;
- iii. As regards the reconstruction of drinking water supply systems reconstructed existing systems reduce the consumption of the electricity by at least 20 % or more.

Furthermore, in line with the description of the measure, **the investment consists in renovating existing drinking water supply systems to decrease the average energy consumption by more than 20% or decrease leakage by more than 20%.**

As stipulated in point 3, paragraph 1 and point 6, paragraph 1 of the Amended call for drinking water supply projects, the reconstruction of existing systems with hydraulic/energy efficiency improvements of the whole or parts of the system, with obtained building permits, has to ensure that the average annual energy consumption will be reduced by at least 20% or water leakages by more than 20%. As indicated in the Explanatory section of the provided Grant award decisions for the 10 drinking water supply projects, the grants were awarded for the projects for which the expert committee confirmed that all the criteria specified in the call (including in relation to the energy and water loss requirements) have been met and all the required documentation has been provided.

As defined under paragraph 2 of point 6 of the Amended call, the energy certificate produced by the authorized company (which must be consistent with the calculations and statements in the

application or accompanying documentation), is a mandatory document at the end of the investment. In line with this, the Slovenian authorities provided copies of the Investment programme and Supplements to the project application containing the required energy statements and calculations prepared by experts for the recipients of the grant award. In addition, for the projects where the main aim would be reducing water losses, the Slovenian authorities provided Supplements to the project application containing the assessment of the water losses prepared by experts for the recipients of the grant award.

Commission Preliminary Assessment: Satisfactorily fulfilled

Strategy for greening education and research infrastructure in Slovenia

Number: 167	Related Measure: Strategy for greening education and research infrastructure in Slovenia	
Name of the Milestone: Adoption of the Strategy for Greening Education and Research Infrastructures		
Qualitative Indicator: Adoption of the Strategy for Greening Education and Research Infrastructures by the Government		Time: Q4 2022
Context:		
The objective of the reform “Strategy for greening education and research infrastructure in Slovenia” is to upgrade the educational and research infrastructure in Slovenia for the needs of modern education and research processes, including the design of flexible spaces to enable modern approaches to impart knowledge, such as participative and collaborative learning and an integrated institutional approach in the implementation of education for sustainable development. The reform consists of the adoption of the strategy for an energy-efficient and development-oriented system of investment in the education and research infrastructure by 2030. The milestone requires the adoption of a Strategy for Greening Education and Research Infrastructures by the Slovenian Government. This strategy should identify sustainable priorities for green investments in education and research infrastructures and for the maintenance of educational buildings, taking into account specific characteristics and specific needs, such as the principles of sustainable construction of near-zero energy buildings, spatial design, digital transition, and innovative pedagogical approaches. Following the completion of this milestone, in line with the description of the measure in the Council Implementing Decision, Slovenia will upgrade educational and research infrastructure in Slovenia for the needs of modern education and research processes, including the design of flexible spaces to enable modern approaches to impart knowledge, such as participative and collaborative learning and an integrated institutional approach in the implementation of education for sustainable development. To this aim, the Government of Slovenia is to adopt a strategy for an energy-efficient and development-oriented system of investment in the education and research infrastructure by 2030. This strategy is expected to define in particular the priorities for investing in the greening of educational and research facilities. Milestone 167 is the only milestone or target of this reform.		
Evidence provided:		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence (Ministry of Higher Education, Science and Innovation, 15 September 2023); ii. Copy of the strategy, adopted by the government on 17 August 2023, by decision 63100-2/2023/6, and a link to the website where the strategy can be accessed: https://www.gov.si/assets/ministrstva/MVZI/Dokumenti/Investicije/SOIRI02030_23.8.2023.docx; iii. Explanation of how specific characteristics and specific needs, such as the principles of sustainable construction of near-zero energy buildings, spatial design, digital transition, and innovative pedagogical approaches were taken into account in the preparation of the strategy in the note <i>m167-education-infrastructure-strategy-Council Implementing Decision-check-response-11-8-23-65046164acdb</i> and incorporated into the summary document (Ministry of Higher Education, Science and Innovation, 15 September 2023). The authorities also provided:		

- iv. a spreadsheet (cilji-ukrepi-podukrepi-p1-650461647c7ff) with the implementing structure of the strategy (Ministry of Higher Education, Science and Innovation, 15 September 2023).

Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

Adoption of a Strategy for Greening Education and Research Infrastructures by the Slovenian Government. This strategy should identify sustainable priorities for green investments in education and research infrastructures and for the maintenance of educational buildings, taking into account specific characteristics and specific needs, such as the principles of sustainable construction of near-zero energy buildings, spatial design, digital transition and Innovative pedagogical approaches.

The Strategy for Greening Education and Research Infrastructures ('the strategy') was adopted by the government on 17 August 2023 by the decision 63100-2/2023/6.

The strategy concerns educational infrastructure at primary, secondary and tertiary level and research infrastructure. It provides an exhaustive analysis of the state of play and an international comparative analysis. It proposes several scenarios for the action plan, considering also various sources of funding, provides an assessment of these scenarios and recommends the most feasible one. The overall objectives of the strategy are the improvement of the quality and sustainability of the educational and research building stock by investing in its greening and maintenance. Chapter 6 of the strategy sets out its strategic objectives and actions, notably the implementation of measures for the greening of public education and research infrastructure and the provision of sufficient, pedagogically relevant, spatially optimal, designed, quality and sustainable infrastructure and equipment.

For what concerns **taking into account specific characteristics and specific needs, such as the principles of sustainable construction of near-zero energy buildings**, the strategy envisages three clusters of measures, with the second cluster aimed at increasing the spatial capacity, that is, constructing new buildings and annexes to existing ones (measure 6.2.1). All newly constructed buildings have to comply with the national Rules on efficient use of energy in buildings (PURES; OJ RS 70/22 and 161/22) from June 2022, all newly constructed buildings have to comply with these Rules, making them compliant with near-zero energy requirements. In addition, public buildings, including education and research facilities, have to have an energy efficiency, which is 10% higher than the near-zero energy requirement.

The reduction of primary energy usage in newly constructed buildings will be monitored through the performance indicator K-2.2, with the aim of a 20% lower usage than of near-zero energy buildings.

The first cluster of measures is aimed at the maintenance and renovation of buildings (measure 6.1.1). According to PURES, when renovated, existing buildings also have to comply with these energy efficiency rules, including the 10% stricter criteria for public buildings.

The improvement in energy efficiency in renovated buildings will be measured through performance indicators K-1.2, aiming to reduce the primary energy usage by 30% in comparison to prior the renovation, and K-1.3, measuring the reduction of greenhouse gases, aiming at a 30% reduction in comparison to prior the renovation.

In addition, both clusters include measures on efficient energy usage (6.1.3) and fitting renewable energy technologies (6.1.4), further improving energy efficiency of the buildings.

The strategy proposes a set of criteria for project selection, amongst them some related to energy efficiency (B.1, B.2, B.4) and reducing CO2 emissions (B.3).

Additional guidance and recommendations on implementing the principles of sustainable design for education and research buildings are provided in chapter 10.2 of the strategy.

For what concerns **spatial design**, both first (renovation) and second (spatial deficit / construction) cluster of measures in the strategy contain a measure on spatial design and quality indoor environment (measure 6.1.5).

This measure includes the following activities:

- ensuring an adequate level of sound insulation from ambient noise,
- planning of echo time in the room,
- ensuring noise control in case of simultaneous programs in the same room,
- achieving a high level of light comfort,
- establishment of the principle of layering, and
- ensuring the use of materials with a level of embedded primary energy appropriate to the lifespan of the layer.

The strategy proposes a set of criteria for project selection, amongst them some related to spatial design, such as increased acoustic comfort (C.1), increased visual comfort (C.2) and multi-functionality of rooms and buildings (C.3 and C.4).

Additional guidance and recommendations on spatial design are provided in chapter 10.1.3.C (New Learning Environments) of the strategy.

For what concerns **digital transition**, the third cluster of measures of the strategy refers to the provision of modern equipment, with the measure 6.3.1 focusing on the digital transition through the introduction of modern ICT equipment. The activities of the measure include ensuring:

- IT software and hardware equipment for students, teachers and researchers,
- network infrastructure, and
- server infrastructure.

The strategy sets an ambitious goal of meeting the following thresholds by 2030 (measured by the performance indicator K-3.1):

- 100% of IT infrastructure needs for primary and secondary schools, boarding homes and special needs' schools,
- 92% of IT infrastructure needs for student dorms,
- 84% of IT infrastructure needs for tertiary education institutions, and
- 49% of IT infrastructure needs for research institutions.

The strategy proposes a set of criteria for project selection, amongst them some related to network speed (E.1) and one related to the number of users of the new IT equipment (E.2 and E.3).

Additional guidance and recommendations on digital transition are provided in chapter 10.1.3.B (Digital Learning) of the strategy.

For what concerns **innovative pedagogical approaches**, according to the strategy (chapter 2.2, Vision and Goal of the Strategy), modern and innovative pedagogical approaches have been considered when drafting the strategy, namely the enhanced participatory role of students, emphasis on collaborative studying, encompassing physical education and other aspects of a healthy lifestyle in the school day. These areas are closely intertwined with the one on spatial design, with the new/renovated infrastructure being the precondition for the implementation of innovative pedagogical approaches.

The strategy proposes a set of criteria for project selection, amongst them some related to spatial design, specifically in constructing multi-functional rooms and buildings (C.3 and C.4), enabling a dynamic study process.

Additional guidance and recommendation on innovative pedagogical approaches are provided in chapters 10.1.3.A (New Pedagogics) and 10.1.3.C (New Learning Environments) of the strategy.

Furthermore, in line with the description of the measure, the elements, which are not mirrored in the description of the milestone, have been addressed in the following way according to the evidence provided by the Slovenian authorities:

Upgrade educational and research infrastructure in Slovenia for the needs of modern education and research processes

The strategy provides stakeholders involved in the upgrading of educational and research infrastructure in Slovenia with a wealth of information and specific suggestions in the areas. It concerns educational infrastructure at primary, secondary and tertiary level and research infrastructure. It provides an exhaustive analysis of the state of play and an international comparative analysis. It proposes several scenarios for the action plan, considering also various sources of funding, provides an assessment of these scenarios and recommends the most feasible one. The strategy aims to modernise the education and research process by assuring new and upgraded buildings, capable of adapting to dynamic requirements of transversal pedagogical and research approaches, as well as focusing on state-of-the art equipment, with the emphasis on boosting the digital transition.

Including the design of flexible spaces to enable modern approaches to impart knowledge, such as participative and collaborative learning and an integrated institutional approach in the implementation of education for sustainable development.

The design of flexible spaces is addressed by the criteria ("Increasing the share of facilities/buildings allowing flexible use for education and training purposes") for hierarchical ranking of investment projects (chapter 9.2.1, criteria C.3 and C.4). The principles of participative and collaborative learning are also set out in the strategy's goals (chapter 2.2). Two measures envisaged in the strategy are related to spatial design.

The reform consists of the adoption of a strategy for an energy-efficient and development-oriented system of investment in the education and research infrastructure by 2030. The strategy shall define in particular the priorities for investing in the greening of educational and research facilities.

The strategy concerns educational infrastructure at primary, secondary and tertiary level and research infrastructure. Four measures envisaged in the strategy are directly targeting to energy efficiency. Considering that every construction and renovation will improve the energy efficiency of the building, half of all measures in the strategy contribute to energy efficiency. Four project selection criteria recommended in the strategy are directly related to energy efficiency, with an additional one on reducing CO2 emissions. Two performance indicators directly measure energy efficiency with an additional indicator measuring the reduction of CO2 emissions.

Commission Preliminary Assessment: Satisfactorily fulfilled

Strengthening the stock of public rental housing

Number: 205	Related Measure: Strengthening the stock of public rental housing	
Name of the Milestone: Entry into force of amendments to the Housing Act		
Qualitative Indicator: Provision in the law indicating entry into force of amendments to the Housing Act		Time: Q4 2021
Context: The reform aims at increasing the supply of public rental housing in Slovenia, primarily for socially disadvantaged and marginalised groups. This is to be achieved by (1) harmonising the level of non-profit rent by public housing funds, (2) allowing additional borrowing by such funds, and (3) opening the possibility for activating existing but unoccupied housing stock for use as public rental housing by establishing a public rental service (with the objective of acquiring and renovating existing privately-owned empty apartments). Overall, the reform is expected to ensure the long-term financial stability of public housing funds in Slovenia. It is also expected it to facilitate the construction of at least 5 000 additional dwellings and the activation of an indicative 2 000 currently empty private dwellings. Milestone 205 concerns the entry into force of amendments to the Housing Act that should update the level of non-profit rent while minimising the impact on tenants at social risk, extend the possibility for borrowing by public housing funds and enable the use of existing but unoccupied housing stock as public rental housing. Milestone 205 “Entry into force of amendments to the Housing Act” is the first step of the implementation of reform A (Strengthening the stock of public housing) under the affordable housing component. It will be followed by target 206, related to the construction or purchase of at least 4500 new public rental housing dwellings in compliance with the requirements under the Housing Act. The reform had the final expected date for implementation on 31 December 2021.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled with links to the underlying evidence; ii. Copy of the publication of the amendment to the Housing Act (SZ-1E) published in the Official Gazette of the Republic of Slovenia No 121/90 of 04 June 2021 (Link: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2021-01-1868?sop=2021-01-1868) The authorities also provided: iii. Decree on the methodology for determining non-profit rent and on determining the amount of rent subsidies published in the Official Gazette of the Republic of Slovenia No 197/2021 of 17 December 2021; iv. Decree on the implementation of public rental service published in the Official Gazette of the Republic of Slovenia No 153/2021 of 24 September 2021.		
Analysis: The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.		
Entry into force of the law.		

As regards the provisions indicating the entry into force of the law, it is stipulated in Article 53 of the *Act Amending the Housing Act*. The law entered into force on 19 June 2021. Link to the publication in the Official Gazette of the *Act Amending the Housing Act*: <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2021-01-1868?sop=2021-01-1868>

As set out in the Council Implementing Decision the *Act amending the Housing Act*, together with the *Decree on the methodology for determining non-profit rent and on determining the amount of rent subsidies* and the *Decree on the implementation of public rental service*, address necessary changes to the housing legislation.

The *Act Amending the Housing Act* was adopted on 26 May 2021 and entered into force on 19 June 2021. It has been complemented by i) the *Decree on the methodology for determining non-profit rent and on determining the amount of rent subsidies*, which was adopted on 22 September 2021 and entered into force on 25 September 2021; and ii) the *Decree on the implementation of public rental service*, which was adopted on 17 December 2021 and entered into force on 1 January 2022.

The following elements were addressed by the *Act amending the Housing Act*, and then further elaborated in the *Decree on the methodology for determining non-profit rent and on determining the amount of rent subsidies*, and the *Decree on the implementation of public rental service*:

The amendments to the Housing Act shall include an update of the level of non-profit rent while minimising the impact on tenants at social risk. Furthermore, in line with the description of the measure, **the reform consists in the entry into force of the amendments.**

Article 22 of the *Act Amending the Housing Act* updated the so-called “value of the point”, which is one of the factors influencing the value of an apartment, which in turn affects the level of the non-profit rent. The updated level of rents will ensure an easier reproduction of the housing stock and increase investors' interest in building new non-profit housing. Article 23 of the *Act Amending the Housing Act* introduced the so-called location factor, which will be influencing the amount of the rent, based on where the apartment is located. With the implementation of the location factor, the non-profit rent will reflect the investment value of residential buildings more realistically, thus providing investors with a return on investment within the envisaged time frame. It will also ensure long-term financial stability of public housing funds.

As regards minimising the impact on tenants at social risk, people living alone are in a very vulnerable position, as they are left with the smallest share of the determined income after paying rent. As a result, they are also the most socially endangered. So for those living alone, Article 24 of the *Act Amending the Housing Act* stipulates that for the purpose of calculating the rent subsidy, which is calculated as a difference between the non-profit rent and the tenant's income which for this purpose is lowered for the amount of the basic minimum income and for the amount of the 30% of determined income, the basic minimum income of a tenant living alone is also increased by 10% of the basic amount of the minimum income. This facilitates access to rent subsidies for these tenants. In addition, due to the increase in the non-profit rent, the updated Act assures the existing beneficiaries of the full rent subsidy that their social situation will not deteriorate as the maximum share of the subsidy was increased from 80 % to 85 % of the non-profit rent (Article 24). This way, net rent expenditure of these tenants will be the same or lower than under the previous conditions. The new legislation also takes into account the position of disabled people permanently tied to the use of a wheelchair, which need functional and other adjustments that require a larger living space for a normal stay in the apartment. For these persons, the usable living space is multiplied by a factor of 0.8 (Article 22).

As set out in the Council Implementing Decision, the reform consists in the entry into force of amendments to the Housing Act which shall harmonise the level of non-profit rent by public housing funds. The *Act amending the Housing Act*, together with the *Decree on the methodology for determining non-profit rent and on determining the amount of rent subsidies* and the *Decree on the implementation of public rental service*, address necessary changes to the housing legislation in this regard

The amendments to the Housing Act shall include the possibility for further borrowing by public housing funds.

The Housing Fund of the Republic of Slovenia is granted a higher level of borrowing (50% vs the previous 30% of the Fund's dedicated assets), which provides it with sufficient funds for initial investments in the acquisition of new public rental housing (Article 29). Moreover, Public housing funds established by municipalities are granted a higher level of borrowing (50% vs the previous 20% of the Fund's dedicated assets), thus providing them with sufficient funds for initial investments in the acquisition of new public rental housing (Article 33). At the same time, the limitation of borrowing, which had so far been limited to 2% of its declared dedicated assets per year, is being abolished, as it is in the interest of housing policy to encourage greater investment in the provision of new public rental housing.

The amendments to the Housing Act shall include the possibility for activating existing but unoccupied housing stock for use as public rental housing. Furthermore, in line with description of the measure, the amendments shall also establish a public rental service with the objective of acquiring and renovating existing privately owned empty apartments for the purpose of affordable housing.

As regards the possibility for acquiring (meaning obtaining not purchasing in this case) and renovating existing but unoccupied housing stock for use as public rental housing and establishing a public rental service, Article 31 of the *Act amending the Housing act* established a public rental service, which is a new instrument for providing additional public rental housing by activating existing but unoccupied privately owned housing. The public rental service will supply beneficiaries with rental housing for a non-profit rent in a way that activates or fills empty private housing in areas where the demand for rental housing is greater than the supply. This will increase the supply of public rental housing in Slovenia and in the long run, by increasing the availability of public housing, the measures will help to slow down the growth of market rents and facilitate access to housing on the free market as well.

As regards the aspect of acquiring and renovating existing privately owned empty apartments, the Council Implementing Decision states that the objective of the public rental service is acquiring and renovating existing privately owned empty apartments for the purpose of affordable housing. Acquiring in this context is not meant as purchasing but obtaining the empty, privately owned apartments and renovating them (if necessary) and offering them for the non-profit rent to target groups. In this way, establishment of the public rental service is expected to facilitate an indicative 2,000 currently empty private dwellings to be obtained and if needed, renovated by public housing funds. The public rental service provider will be the Housing Fund of the Republic of Slovenia (hereinafter: SSRS) who works by renting apartments on the market by and subletting them to beneficiaries. SSRS has the role of intermediary, manager and maintainer of rental housing. It relieves homeowners of all transactions and risks associated with renting out housing, and provide them with a regular income in the long run. By assuming all obligations, related to renting out housing and taking on risks, the SSRS will encourage those who have reservations (fear of non-payers, uneconomical handling of housing, bureaucracy) to rent out flats through public rental.

Commission Preliminary Assessment: Satisfactorily fulfilled

Provision of public rental housing

Number: 207	Related Measure: Provision of public rental housing	
Name of the Milestone: Award of contracts for the provision of public rental housing		
Qualitative Indicator: Communication of awards		Time: Q2 2022
Context: Milestone 207 is part of investment B: “Provision of public rental housing”, whose objective is to reduce the deficit of public rental housing in Slovenia. Milestone 207 concerns the award of grants for the provision of public rental housing. The selected projects shall ensure the construction of new dwellings (new housing units), each with an anticipated average surface area ranging from 47 to 58 m², for the purpose of public rental housing. New buildings shall comply with requirements for nearly zero-energy buildings. Milestone 207 is the first step in the implementation of the investment, and it will be followed by target 208 and target 209, related to the completion of the work of construction of 200 and 280 dwellings, respectively. The expected final date for the implementation of the investment is 31 December 2025.		
Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence - (Ministry of Solidarity-Based Future, 18 October 2023); ii. Copies of award of grants issued by the Ministry of Environment and Spatial Planning on 20 July 2022; iii. Extract of the relevant parts of the technical specifications of the project proving alignment with the description of the milestone and of the description of the investment in the Council Implementing Decision provided by the project applicants; iv. The list of contractual counterparts provided by the Office of the Republic of Slovenia for Recovery and Resilience on 13 July 2023; v. Energy certificate for new buildings proving their compliance with nearly zero-energy consumption provided by the project applicants. The authorities also provided: vi. Link to the Public tender for the allocation of funds in the field of component 16: Housing policy, investment: Provision of public rental housing was published in the Official Gazette of the Republic of Slovenia no. 52/2022 on 15 April 2022 by the Ministry of Environment and Spatial Planning (https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022005200006/javni-razpis-za-dodelitev-sredstev-s-podrocja-komponente-16-stanovanjska-politika-investicija-zagotavljanje-javnih-najemnih-stanovanj-ob-214522); vii. Records of the expert commission on the opening of applications; viii. Records of the expert commission on the scoring of applications; Statements signed by the project applicants indicating the average net floor area of the dwellings.		
Analysis:		

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone.

The selected projects shall ensure the construction of new dwellings with an average surface area expected to be between 47 and 58 m². Furthermore, in line with description of the measure, the investment consists in the construction of 480 new housing units. The projects of municipal housing funds and other affordable housing organisations shall be selected through a competitive call for projects.

The Ministry of Environment and Spatial Planning published a Call for projects for the provision of public rental housing in the Official Gazette of the Republic of Slovenia no. 52/2022 on 15 April 2022 (<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022005200006/javni-razpis-za-dodelitev-sredstev-s-podrocja-komponente-16-stanovanjska-politika-investicija-zagotavljanje-javnih-najemnih-stanovanj-ob-214522>).

The subject of the Call for projects was financing of the following type of investments with aim to reduce the deficit of public rental housing in Slovenia:

- Construction of new housing dwellings
- Reconstruction of the existing dwellings
- Purchase of dwellings with a view to use as public rental housing, with a comprehensive renovation of dwellings, when necessary, in view of the preservation of the dwelling.

Whereas the measure description refers to the construction of 480 new housing units while the milestone description refers to the construction of new dwellings, they should be interpreted in the light of the purpose of the measure as reflected in the RRP, namely to increase the stock of public rental housing by supporting the investment in new rental apartments and acquisition and renovation of the existing apartments. The terms “housing unit” and “dwelling” are used synonymously by the Slovenian authorities including in the RRP itself.

Grant award notification was issued for 34 projects, which in total ensures provision of 1,036 new housing units. Following the withdrawal of one project applicant (for 2 projects for 10 housing units in total), the final number of new housing units is 1,026, corresponding to the following categories:

- i. Construction of new dwellings: 13 projects (737 new housing units)
- ii. Purchase of new dwellings to be used as public rental housing: 10 projects (210 new housing units)
- iii. Reconstruction of the existing dwellings: 7 projects (64 new housing units)
- iv. Purchase of existing dwellings and renovation, to be used as public rental housing: 2 projects (15 dwellings)

947 new housing units fall under categories i) and ii) are considered as new housing units in a narrow sense which exceeds the target value of 480 housing units.⁶ The 9 remaining projects consisting of 79 new housing units falling under categories iii) and iv) are counted as reconstruction projects. Considering that these dwellings were previously either not inhabited or served another purpose (office space, factory, etc), they are considered as new housing units for the purpose of public rental housing as stated in the measure description.

Considering that the original intention behind the design of the measure was to reduce the public rental deficit by 480 dwellings on the basis of new constructions, reconstructions or purchases of existing dwellings, the Slovenian authorities satisfactory fulfilled the milestone requirement by

⁶ The target value of 408 new housing units is set in target 209, which is based on this milestone 207.

launching a Call for projects that resulted in granting awards to 32 projects (1,026 new housing units) to be used for the purpose of public rental housing.

An average surface area expected to be between 47 and 58 m².

According to the Council Implementing Decision, the average surface area of the selected projects is expected to be between 47 and 58 m². The Council Implementing Decision mentions an expected average surface area range, without establishing a requirement to be fulfilled. Based on the technical specifications of the projects and statements signed by the project applicants indicating the average net floor area of the dwellings, the final average surface area of new dwellings will be 64.18 m²).

All dwellings shall be used solely for the purpose of public rental housing.

The commitment to ensuring the dedicated use of all housing units for public rental housing is established through specific conditions set in the Call for projects:

- *Non-Profit Rent:* A condition of the Call for projects was the obligation to rent out all acquired apartments at a non-profit rent, as determined by the Decree on the methodology for determining non-profit rent and rent subsidies. This will ensure that the rental rates would be affordable and fair. All 32 selected project applicants declared and signed a binding statement on fulfilment of the condition that all acquired apartments will be rented out at a non-profit rent (Article 5, paragraph 2 of the Call for projects)
- *Allocation through Public Call for applications:* All the 1,026 apartments will be allocated to individuals through a public call for applications with priority given to specific statutory categories defined by the Housing Act. These priority groups include young people, young families, families with several children, families with a smaller number of employees, socially endangered, marginalized groups (such as ethnic minorities), the elderly, the disabled and families with a disabled member, citizens with more years of service who are without housing or who are subtenants, applicants who are important to the community in terms of their profession or activity. All 32 awarded project applicants declared and signed a binding statement on fulfilment of this condition. (Article 5, paragraph 3 of the Call for projects)
- *10-Year Commitment:* To prevent any premature sale or alienation of the apartments, construction products, machinery, and equipment financed under the Call for projects, applicants were obliged to commit to a ten-year restriction from selling or transferring these assets by signing a statement. This further ensured that the housing units remained dedicated to public rental housing for at least this period (Article 5, paragraph 6 of the Call for projects).

New buildings shall comply with requirements for nearly zero-energy buildings.

The commitment to ensure that new buildings will comply with requirements for nearly zero-energy buildings ("NZEB") is established through specific conditions set in the Call for projects, which stipulates that only the construction of almost zero-energy buildings will be supported in the case of new buildings (Article 3, paragraph 7 of the Call for projects). This is aligned with Article 25 of the Act on Energy Efficiency (Official Gazette of the Republic of Slovenia, No. 158/20), which stipulates that all new buildings must be almost zero-energy.

In Slovenia, the criteria for Nearly Zero-Energy Buildings (NZEB) are outlined in the Rulebook on the Methodology for the Production and Issuance of Energy Certificates for Buildings (Official Gazette of the Republic of Slovenia, No. 92/14, 47/19, 158/20 – ZURE) - EC Rulebook. To determine compliance with NZEB standards, this rulebook provides specific energy indicators. According to Article 6 of the EC Rulebook, buildings are categorized into 9 energy efficiency classes, ranging from A1 to G. In 2015,

Slovenia's national plan for NZEB introduced a technical definition for NZEB based on a cost-optimal study conducted in 2014. This study established that a new building is considered NZEB-compliant if it falls within the A1, A2, or B1 Energy Performance Certificate (EPC) class.

Applicants proved that they met the conditions of the building's energy efficiency by submitting the building's Energy Certificate ("Energetska izkaznica"), if the building has already been constructed (ex-post evidence) or the Statement on the energy properties of the building ("Izkaz energetskih lastnosti stavbe"), if the building has not yet been constructed (ex-ante evidence), as defined by the Rules on efficient use of energy in buildings with a technical guideline (Official Gazette of the Republic of Slovenia, No. 52/10, 61/17 – GZ, 199/21 – GZ-1 and 70/22) (Article 5.1, paragraph 2 of the Call for projects). For the latter, i.e. projects that are only in the initial phase of construction, Building's Energy Certificate will be attached at the end of the project and when the request for co-financing is submitted. Slovenia submitted Energy Certificate complying with the NZEB requirements for all the already constructed new buildings, which is the case for 11 projects.

In case of buildings that are still under construction and for which Energy Certificate cannot yet be submitted, Slovenian authorities submitted Statement on the energy characteristics of the building ("Izkaz energijskih lastnosti stavbe") for which compliance with the NZEB requirements is determined through the indicator "*calculated annual heat required for heating per unit of net usable area and conditioned volume (QNH/Au) = ____ kWh/(m2a)*.", whereas the minimum NZEB requirement is set to 25 kWh/m2a. Slovenia submitted Statement on the energy characteristics of the building for all the projects that need to comply with the NZEB requirements which is the case for 15 projects. Other projects concern renovations for which there are no NZEB requirements.

(Evidence: Energy certificate for new buildings proving their compliance with nearly zero-energy consumption)

Commission Preliminary Assessment: Satisfactorily fulfilled